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# The Question of Economic Assistance to the Soviet Union

## *Gorbachev Shows Readiness to Accept*

By David Hoffman
*Washington Post Service*

WASHINGTON — President Mikhail S. Gorbachev, struggling to shift the crumbling Soviet economy to a free-market system, has told officials in Europe and the United States that he needs and would accept economic assistance from the West, although he has not formally requested it, according to U.S. and European officials.

The officials said they detected a change in Mr. Gorbachev's attitude toward Western assistance as the Soviet Union's economic difficulties intensified in recent months.

In private messages relayed through West German officials, they said, the Soviet leader has dropped any objection to direct economic aid and said he would accept it if offered by the major Western democracies.

*Sixteen Senate Republicans and two Democrats, in a* letter made public Tuesday, appealed to President George Bush not to provide economic aid to Moscow.

"We believe that government-to-government aid would be squandered by the large, inefficient Soviet state bureaucracy," they said.

A bailout would be "counterproductive" and would permit Mr. Gorbachev "to delay further making the hard choices associated with fundamental economic reform," the senators added.

Administration officials said that Mr. Bush, while sympathetic to Mr. Gorbachev's plight, would find it extremely difficult to explain Soviet aid to American voters at a time of large federal deficits and talk of a tax increase.

The officials said Mr. Bush wanted to avoid a confrontation on the issue next week when leaders of the seven major industrial democracies take it up in Houston.

Chancellor Helmut Kohl of West Germany, who is seeking to ease Soviet concerns about German reunification, has called for a $15 billion program of Western economic assistance to the Soviet Union.

The idea has been endorsed by President François Mitterrand of France, but got a cool response from Britain, Canada, Japan and the United States.

Mr. Bush is expected to propose technical aid to Moscow

See AID, Page 5

## *Bush Hints Arms Cut Could Clear Way*

*Compiled by Our Staff From Dispatches*

KENNEBUNKPORT, Maine — President George Bush said Wednesday that a reduction in Soviet military spending *like that suggested by the Soviet foreign minister* could open the door to greater economic assistance from the West to Moscow.

During a pause in an Independence Day golf game near his vacation retreat, Mr. Bush was asked about a speech by Eduard A. Shevardnadze on Tuesday in which the foreign *minister said the Soviet Union spent one-fourth of its* gross national product on the military.

"I hope that given the changes in the world, they'll be able to curtail that defense spending some," Mr. Bush said.

"And if they do," he added, "I think it would be much easier for the West to give them certain kinds of economic assistance."

Mr. Bush did not specify what sort of aid he had in mind, or whether a cut in Soviet military spending would prompt him to lower his own resistance to direct economic aid to Moscow. But he called Mr. Shevardnadze's comments "very interesting."

Mr. Bush said Tuesday that he remained reluctant to give U.S. aid directly to Moscow in the absence of major economic changes that would put the centrally planned *Soviet economy firmly on a free-market path while shutting* off shipments of military aid to Cuba.

His remarks came amid sharpening debate over assistance to the Soviet Union, a topic expected to figure high on the agenda next week in Houston when the leaders of seven major industrial nations meet.

Japan announced Wednesday that it would refuse to take part in any financial aid package for Moscow at the Houston meeting.

But the West German foreign minister, Hans-Dietrich Genscher, warned the West that failure to extend urgent aid could undermine President Mikhail S. Gorbachev's hold on power. "The Japanese government holds great reservations toward Soviet aid," said Noboru Hatakeyama, a senior official in the Ministry of International Trade and Industry in Tokyo.

A 45-year-old territorial dispute between Tokyo and

See BUSH, Page 5

# Tirana Plans 13,000 Visas, Envoys Say

## *Leaders Are Reported To Prepare Shake-Up After Embassy Rush*

By Barry James
*International Herald Tribune*

The Albanian government is prepared to issue 13,000 exit visas immediately in an effort to defuse the crisis that flared when about 200 people in flight from one of communism's most ruthless and closed tyrannies sought refuge in foreign embassies, Western diplomatic sources said Wednesday.

The Albanian leadership, which was largely spared the revolution sweeping Eastern Europe, was reportedly planning a top-level shake-up because of the rush on the embassies.

Tanjug, the press agency of neighboring Yugoslavia, said that a large crowd gathered in the Albanian capital, Tirana, on Wednesday but that there was no further attempt to storm the heavily guarded embassies.

It said that Albania would carry out urgent changes in its leadership and security services as a result of the unrest.

French diplomatic sources said Albania could issue 13,000 visas by the end of this week, but added it was not known who would get them or whether they would be for permanent or temporary exit.

A Hungarian Foreign Ministry spokesman said Albanian authorities were offering passports to those who took shelter in the embassies after street battles earlier this week between the police and demonstrators. Several people were wounded and, according to some diplomatic reports, some were killed.

But to apply for the passports, the refugees would have to leave the protection of the embassies.

The Hungarian spokesman said the Albanian authorities had given assurances that the refugees could be accompanied by embassy officials and return to the embassies after having made their applications. The spokesman said four Albanians who sought asylum in the Hungarian Embassy had not accepted these assurances, although some in other embassies had done so.

The reports indicated that Albania was trying to head off the situation that occurred in Prague last year when thousands of East Germans sought refuge in the West German Embassy, precipitating the events that led to the collapse of communism in East Germany.

Diplomats said the offer to allow Albanians to leave the country also appeared designed to head off rising social tensions caused by rapid population expansion and increasing unemployment.

In Bonn, a Foreign Ministry spokesman said the West German government was working closely with its partners in the European Community to reach a solution that would guarantee the safety of the refugees who, he said, "fear for their lives."

A total of 86 sought refuge in West Germany's diplomatic compound, which was opened only a couple of weeks ago. The embassy is "medium-sized," the spokesman said, with a staff of 20 to 30.

Albanians were also also being sheltered in the French, Italian, Polish, Hungarian, Czechoslovak, East German, Greek, Turkish and Chinese embassies. But most of those who sought refuge in the Chinese Embassy reportedly had left on Wednesday.

Diplomats said the Bulgarian, Cuban and Egyptian embassies had handed refugees back to Albanian authorities, although Bulgarian officials denied this. The Bulgarians accused the Albanian police of invading their embassy to drag an asylum-seeker back to the street.

A bomb went off at the Cuban Embassy late Tuesday, shattering glass. The Albanian press agency ATA described the damage to the building as minor and said there were no injuries.

The agency linked the bombing to the demonstrations, and said the attack was "a base terrorist act aimed at impairing the very good relations between Albania and Cuba."

The Cuban government confirmed the explosion but said the embassy was continuing to operate normally.

The West German government was planning

See VISAS, Page 2

## *Red Army Cashes In On German Merger*

*Reuters*

BERLIN — "We'd like to cash a check," the Soviet Army told the West Germany Bundesbank on Wednesday, and withdrew millions of hard-currency Deutsche marks to pay its troops stationed in East Germany.

Outside the bank building, the former Communist Party headquarters in East Berlin, an armed convoy of jeeps, military police cars, a bus and an army truck waited to transport the cash, which a bank spokesman said was a "two-figure million-mark sum."

The move followed Sunday's merger of the East and West German economies in which the Deutsche mark became legal tender in East Germany.

The truck drove into the courtyard of the bank building, whose four-story underground vaults are holdovers from pre-World War II days when it was used as the central Reichsbank.

Two hours later, the truck emerged and the motorcade departed.

"The Red Army came with a check," said the Bundesbank spokesman. "The money will go mainly toward paying the monthly wages of soldiers as well as for electricity and water used in this country by Soviet forces.

"It's possible some soldiers could take the money back home with them after they're reassigned," he said, "but they're just like any other private citizen with spending

See CHECK, Page 5

Boris Yurchenko/The Associated Press

President Mikhail S. Gorbachev reaching out to delegates during a break Wednesday at the 28th Communist Party Congress under way in Moscow.

## *Bush Offers Arafat A Path to Talks*

By John M. Goshko
*Washington Post Service*

WASHINGTON — The United States has informed Yasser Arafat that President George Bush would resume the dialogue with the Palestine Liberation Organization at once if Mr. Arafat accepted a U.S.-Egyptian plan to discipline the Palestinian faction that launched an attack on May 30 against Israeli civilians, diplomatic sources said Wednesday.

The message was transmitted through President Hosni Mubarak of Egypt, the sources said. Mr. Bush telephoned *Mr. Mubarak on June 23* to urge him to continue his role as go-between with the PLO, they said.

The sources said the key part of the proposal called for the PLO to punish the Palestine Liberation Front, the radical PLO faction that asserted responsibility for the failed raid on a beach near Tel Aviv, by dropping its leader, Mohammed Abbas, from the PLO Executive Committee.

It also would require the PLO to criticize the front's role in the incident and to reduce the front's status inside the PLO by taking away some of the rights and powers normally held by the various factions under the PLO umbrella.

According to the sources, Mr. Mubarak and Foreign Minister Esmat Abdel Meguid are trying to persuade Mr. Arafat to accept this formula, and they have been authorized by Washington to assure him that if he does Mr. Bush is prepared to restart the dialogue immediately.

The Egyptians reportedly are telling Mr. Arafat that the

See PLO, Page 5

## The People Turn Off to Soviet Party's Bickering

By Francis X. Clines
*New York Times Service*

MOSCOW — The Communist Party's 28th congress is slipping rapidly from public attention with delegates Wednesday having devoted another day to internal bitterness in their debate over the party's fading power and the nation's relentless crisis.

In the past, such fractiousness among the party elite would have been an irresistible public spectacle. But *glasnost* — the Gorbachev era's freer airing of ideas — has thus far reduced the 10-day event to simply another forum of contentiousness on the nation's already crowded agenda of public debates.

Speaker after speaker arose with hard-line laments blaming the Gorbachev leadership, the Soviet news media, and assorted other democratization pressures for the fix the party is in, with members quitting by the tens of thousands and prestige plummeting.

One of the day's few moderate speakers, Yuri Prokofiev, the party leader of Moscow, was heckled with rhythmic applause when he attempted to advise the congress delegates to either democratize the party or see further rapid dwindling of their once monopolistic place in the nation.

Most of the 4,657 delegates preferred far more the speech of Anatoli Volochkov, a farmer, who sparked a wide ovation when he offered a tart criticism of the national reform program of President Mikhail S. Gorbachev as "a wolf in sheep's skin."

After three days of such debate, the congress has been notable mainly for the fact that speakers have not touched on the critical recent event of communism, its fall in East Europe, nor on practical ways to deal with nation's many problems.

Instead, delegates have spent considerable time winning parliamentary "victories" in debating and changing the names of study committees to provide oblique slights to the Gorbachev leadership.

"Dull and mediocre" was one of the more modest complaints in a newspaper roundup of public reaction to the congress.

"They are talking about things solely of concern to party functionaries," said another Muscovite. And a third: "How many tens of years I believed in the party and its leaders and it was all in vain. I do not believe in anybody now."

Wednesday night, a tape-delayed version of the congress's sparring was largely ignored by TV viewers who switched en masse to world cup soccer.

The one issue of main interest to the public, whether the congress's liberal minority will walk out in protest and manage to start a true opposition party, has not yet arisen after three days of debate.

Leonid I. Abalkin, the Gorbachev government's chief economic adviser, drew disapproving handclaps when he warned the delegates the party "will be swept from the arena in defeat" if they maintained their resistance to abandoning the old monolithic system of central economic planning and did not switch soon to a market economy.

### ■ Liberals Attack Military

Liberal Soviet politicians and academics published an angry attack Wednesday on the country's military leadership, accusing it of teaming up with conservatives to block army reforms, Reuters reported from Moscow.

A letter published in the daily Komsomolskaya Pravda with 47 signatories called for radical measures to bring the armed forces under parliamentary control and free them from Communist Party influence.

The letter, addressed to the Soviet leadership, added fuel to a dispute between top military brass and liberal Soviet newspapers which has flared into the open again at the current party congress.

## Kiosk

### East Germans Walk Off Jobs

BERLIN (Reuters) — Tens of thousands of East German workers, alarmed by soaring unemployment, staged wildcat strikes all over the country Wednesday to back demands for more pay, job security and shorter working hours.

The walkouts, which in many areas turned into protest marches, coincided with Labor Ministry data showing 142,000 out of work last month, a rise of 47,000 or almost 50 percent over May.

**General News**

**Iran** assailed Saudi Arabia for the deaths of 1,426 pilgrims near Mecca. Page 2.

**Maurice Girodias**, 71, publisher of "Lolita" and other erotic best-sellers, dies. Page 2.

**U.S. prison officials** silenced an inmate who said he sold drugs to Dan Quayle. Page 3.

**Business / Finance**

**West Germany's** trade surplus *climbed to 12 billion Deutsche* marks in May. Page 12.

**The dollar** fell below 150 Japanese yen for the first time since late May. Page 11.

*Crossword* Page 17.

# West Germany Beats England in Shoot-Out

WORLD CUP GRANDSTAND

Mark Baker/ Reuters

England's goalkeeper, Peter Shilton stretched but could not reach the shot by Andreas Brehme that made it 1-0.

When Chris Waddle kicked the ball over the net on his team's fifth penalty shot, West Germany reached the World Cup final for the third successive time by defeating England, 4-3, in a dramatic shoot-out Wednesday night.

The two teams battled through a scoreless overtime after each had scored once in the first 90 minutes of their semifinal.

That brought it down to the shoot-out. After the first three players on each team had successfully taken their shots, England's Stuart Pearce had his shot blocked by West German goalkeeper Bodo Illgner.

Olaf Thon scored to give West Germany the lead, and Waddle misfired, putting West Germany into Sunday's game against Argentina in Rome, a repeat of the championship match four years ago in Mexico City.

England plays Italy in Bari on Saturday in the playoff for third place.

*World Cup report: Pages 14 and 15*

## *Awakened From Cup Dream, Italy Now Has Chance to Sleep*

By Clyde Haberman
*New York Times Service*

ROME — Moments after Argentina bounced Italy out of the World Cup competition Tuesday night, window shutters flew open at an apartment overlooking Via di San Stefano del Cacco, a narrow street in Rome's historic center.

Onto a manicured terrace stepped a knot of people, grumbling loudly about the disaster that had just befallen their country. While much of what they said was lost in a din of overlapping conversations, one woman's voice stood out clearly. She might as well have been speaking for the nation.

"Che peccato!" she exclaimed. What a pity!

Indeed, Italians echoed in despair Wednesday.

This was not the way things were supposed to turn out. Many Italians, arguably most, had accepted as an article of faith that their team would bring home the soccer championship, a fitting crown for the proud host of the 1990 tournament. Five straight victories, all by shutouts, were seen as testament to the national destiny.

Instead, dreams turned suddenly to ashes on a field in Naples, and a stunned Italy awoke to a day that dawned sunny but mournful.

Rome, stripped of its customary swagger and pugnacity, was eerily silent through the warm, sweet night as its young people were forced to abandon the accustomed rituals of street celebration. Few ventured forth to dart about for hours in cars and on motorcycles. No one waved flags joyfully and honked horns endlessly.

It was satisfying only to those who cherish sleep more than pride.

In Naples, World Cup organizers went ahead with a planned fireworks display on the bay, but few people turned out. In Turin, about 200 fans marched with candles through the streets, a mock funeral procession for the national squad.

"Goodbye, Cruel World Cup," said an enormous headline in Il Messaggero, a Rome-based newspaper. "Italy, The Dream Is Over," blared La Repubblica, a prominent national daily.

The owner of a wine store in central Rome said that two minutes into the Argentina match she had a premonition that disaster lay ahead, and she shut off the television. "I just could not watch it," she said.

One of her customers, munching on a sandwich, blamed the defeat on the choice of Naples as the match site. It never would have happened, he said, at the Olympic Stadium in *Rome, scene of Italy's five previous victories.*

Perhaps inevitably, the Monday-morning quarterbacks emerged in force with their pet theories: Italian players are paid too much, they are lazy, they are immature, they coast when they are ahead as they were for much of *Tuesday night, and so on. The team coach,* Azeglio Vicini, came under heavy fire in some circles for his choice of players. But Prime Minister Giulio Andreotti — six times Italy's leader and a man long familiar with life's game of Chutes and Ladders — urged critics

See ITALY, Page 17

# Mandela-Thatcher Encounter: Upbeat Despite Gap on Views

By Glenn Frankel
*Washington Post Service*

LONDON — For months they had been sparring with each other across two continents and the Equator over some of the most critical issues facing South Africa.

But when they finally met Wednesday, the black nationalist leader Nelson Mandela and Prime Minister Margaret Thatcher emphasized the positive, saying they found much to agree on and expressing deep admiration for each other.

The Father of the Nation met the Iron Lady for three hours in a session described by both sides as "warm and cordial."

As for the main issues that divide them — economic sanctions and the renunciation of violence — the two leaders listened to each other's presentations and agreed to disagree.

When it was over, Mr. Mandela praised Mrs. Thatcher's "integrity and sincerity" and called her "an enemy of apartheid."

Mrs. Thatcher, in turn, said she was impressed by Mr. Mandela's determination to bring an end to violence and his awareness of the need to start negotiations between black leaders and the white-ruled government, according to her aides.

It was a far cry from the debate that had raged between the two leaders in the months since Mr. Mandela's historic release from prison last February.

Since then, Mrs. Thatcher — who in 1987 branded Mr. Mandela's African National Congress a "terrorist organization" — has been pressing the United States and the European Community to lift their sanctions on Pretoria to reward President Frederik W. de Klerk for his willingness to push ahead with profound change despite intense opposition from some whites.

Mr. Mandela has insisted in the past that sanctions should remain until South Africa had moved "irreversibly" by ending apartheid and instituting a democratic system of majority rule.

He appeared to modify that stance just slightly Wednesday, telling British business leaders that he believed rapid progress was possible once negotiations began between the ANC and the government.

If such progress were achieved, Mr. Mandela suggested, he might call for the easing of sanctions before the end of the year. He also told the businessmen that he hoped someday to meet Mr. Thatcher together with Mr. de Klerk.

The black leader also gave ground by effectively retracting comments he made Monday in Dublin calling for discussions between Britain and the Irish Republican Army.

Mr. Mandela told reporters he and Mrs. Thatcher shared "a common approach," but added that "there were a number of points on which we did not see eye to eye completely."

Max Nash/The Associated Press

**HOMELESS IN ISRAEL — An elderly Israeli passing the time in a tent city for the homeless in the southern Tel Aviv suburb of Holon on Wednesday. He was one of the many Jews who have been forced to leave their homes because of rising rents caused by an acute housing shortage. They protest that they are unable to pay the rents, while Soviet immigrants are given subsidies.**

# *Doe Rejects U.S. Offer of Help*

## Liberian Leader Meets With Envoy as Rebels Advance

*Reuters*

MONROVIA, Liberia — President Samuel K. Doe, the beleaguered Liberian leader, met with the U.S. ambassador in Monrovia on Wednesday, but the U.S. government said he turned down an offer of help in escaping from rebels who have cut off his capital.

Government soldiers and witnesses, meanwhile, said rebels loyal to a former Doe associate, Charles Taylor, were advancing in the capital's eastern suburbs, which echoed with the sounds of artillery and gunfire. Firing could also be heard on the western outskirts of the city.

Mr. Doe, who seized power in a bloody military coup in 1980, had about one hour of talks with the U.S. ambassador, Peter de Vos.

Officials in Monrovia declined to give details of the talks.

The U.S. State Department said later that Mr. Doe had turned down an offer of help to leave the country, but a spokeswoman said the offer remained open.

The United States, Liberia's main ally, has a naval task force with 2,100 Marines and four ships off the coast of this West African nation, which was founded by freed American slaves in 1847.

Political sources in Monrovia said this week that Mr. Doe, closeted in his fortress-like mansion in the capital, had agreed in principle to resign as long as the rebels assured his safety and that of his minority Krahn tribe.

The six-month-old civil war has taken on aspects of a tribal feud.

Witnesses said at least 17 bodies had been found on Wednesday morning at different locations in the capital, which has a population of about 500,000.

The witnesses spoke of government soldiers shooting and looting during an overnight curfew in the city.

Troops ransacked several homes belonging to the Gio and Mano tribes to which many rebels belong, they said.

Most cabinet ministers and senior administration officials have left the country.

Mr. Doe's chief aide, Elvin Jones, left for neighboring Ivory Coast by plane on Wednesday morning as rebels firing rifles and artillery attacked the capital for the third successive day.

Fighting erupted in the eastern suburb of Congo Town with rebels moving toward the transmitter of the main state radio, which was off the air. Fighting raged around a nearby army base.

Residents contacted by radio reported hearing heavy firing throughout the night in the west of the city.

# Mecca Deaths: Iran Assails Riyadh

*Reuters*

NICOSIA — Iran assailed Sandi Arabia on Wednesday for the deaths of 1,426 pilgrims in a tunnel near Mecca, saying the accident showed that the Saudi rulers were not fit to administer Islam's holiest shrines.

"This is a bitter incident which cannot be taken lightly," President Hashemi Rafsanjani was quoted as saying by the Tehran radio. "Those in charge of holy shrines must answer to the Islamic world and the Islamic world must think up a fundamental solution for running the holy shrines."

Sandi officials said the pilgrims suffocated or were trampled to death Monday when 50,000 pilgrims crammed into a pedestrian tunnel panicked and stampeded.

The accident was the biggest fatality at the annual Haj pilgrimage in modern times.

Iran boycotted the Haj for the third year running to protest a quota limiting the number of its pilgrims and Sandi Arabia's ban on political protests during the event.

When Iran last allowed its nationals to attend the Haj in 1987, pilgrims staged anti-Western demonstrations in Mecca and more than 400, mostly Iranians, were killed in clashes with Saudi security forces.

Mehdi Karrubi, the speaker of the Iranian parliament and a cleric who led the 1987 demonstration, said the tunnel accident was further evidence that the Sandi royal family was not fit to run Islam's holiest shrines.

Iran's fundamentalist Shiite leaders have demanded for years that control of the sites of Islam at Mecca and Medina be taken away from the conservative Sunni kingdom and given to an international committee of Muslim personalities.

King Fahd of Sandi Arabia broke diplomatic ties with Tehran in April 1988 charging Iran with hostile acts.

Recently there have been signs of a thaw in Riyadh-Tehran relations with King Fahd sending a message of condolence to Mr. Rafsanjani and about 20 planes loaded with supplies for victims of last month's earthquake in northwest Iran.

But Iranian officials attacked the Sandis over the Haj organization last week.

# Cyprus Applies to Join the EC

*Reuters*

BRUSSELS — Cyprus applied Wednesday for EC membership, but diplomats here said it was unlikely the island would be admitted as long as it remained politically divided.

George Iacovou, the Greek Cypriot foreign minister, submitted a formal application to his Italian counterpart, Gianni de Michelis, who chairs the EC Council of Ministers, Cypriot diplomats said.

The application will be passed on to the EC Commission, which has said that the EC should not consider accepting new members until after 1992, when it aims to have completed its composite internal market.

# Study Says Growth Hormone May Arrest the Aging of Men

By Susan Okie
*Washington Post Service*

WASHINGTON — In a study suggesting that a well-known drug can restore a more youthful body to an older man, medical researchers have found that repeated injections of human growth hormone caused 12 men in their 60s and 70s to lose fat and gain lean body mass.

The findings have led some to suggest that growth-hormone injections for the elderly may one day be prescribed much as estrogen "replacement" therapy is prescribed for women after menopause.

The report, in the New England Journal of Medicine on Thursday, is the first to assess the effects of growth hormone on healthy, older adults. Although researchers called the findings preliminary, they said the results indicated that the hormone may turn back the clock on some aspects of aging, reversing the normal pattern of muscle loss and fat gain, and potentially making some frail, elderly people more vigorous.

The annual cost of growth-hormone injections for an average-sized man is almost $14,000, according to Mary Lee Vance, a professor of medicine at the University of Virginia who wrote an editorial accompanying the report. Three injections weekly would be needed indefinitely to maintain the youthful effect.

"This gets into the whole area of what aging is," said Gordon Cutler, chief of developmental endocrinology at the National Institute of Child Health and Human Development.

Noting that growth-hormone levels normally decline with age, he added, "Should that be reversed? Is the loss of growth hormone part of the way in which nature programs the gradual enfeeblement, and eventually the death, of older people? Does fixing this improve on nature?"

Growth hormone is a protein manufactured by the pituitary gland. It stimulates normal bone growth in children and has profound effects on muscle and fat and on general metabolism.

Synthetic growth hormone, made by genetically engineered cells living in vats but identical to the natural substance, can be prescribed by any physician, and injections are routinely administered to improve growth in children whose pituitary glands produce too little.

Growth hormone is almost never prescribed for adults except in experimental studies. About one-third of people over 60 produce little or none of the hormone, said Daniel Rudman, a professor of medicine at the Medical College of Wisconsin and principal author of the study.

Experts have not considered low growth-hormone levels abnormal in this age group, but Dr. Rudman suggested there may be growth-hormone deficiency in the elderly.

"Anything that improves functional capacity in frail, elderly people translates into better quality of life," he said. But he and other experts warned that larger and longer studies are necessary to assess the hormone's effects in adults before its long-term use can be recommended.

For the current study, Dr. Rudman and co-workers enrolled 21 healthy men between 61 and 81, all of whose blood tests indicated they were producing low levels of growth hormone. Twelve were randomly chosen to receive three growth-hormone injections a week, at doses raising their hormone levels into the normal range for healthy young adults.

The other nine served as the control group, receiving placebo injections.

Men in both groups followed similar diets and maintained usual activity levels. Neither the men nor their doctors knew who was getting the hormone until after the study.

In the group receiving the hormone, lean body mass — the body's nonfat and nonbone tissue — increased by almost 9 percent; fat decreased by more than 14 percent and skin thickness increased by 7 percent. There were no significant changes in body composition in the placebo group.

Dr. Rudman said X-rays showed that the arm and leg muscles of the treated men got bigger. "Some of the men said they had more energy and didn't get tired as easily."

The group receiving the hormone showed slight rises in blood pressure and blood sugar but suffered no significant side effects.

# WORLD BRIEFS

## Warsaw Cabinet Shakeup Expected

WARSAW (Reuters) — Prime Minister Tadeusz Mazowiecki will announce changes in his 10-month-old government on Friday, a senior Solidarity official said on Wednesday. Mr. Mazowiecki is under intense pressure from Solidarity's leader, Lech Walesa, to oust ex-Communists from the government and speed up the process of democratization.

Four former Communists hold ministries in the Solidarity-led government under a deal reached last year between Solidarity and the former ruling party, which was dissolved in January.

The most prominent former Communists in the government, apart from President Wojciech Jaruzelski, are Interior Minister Czeslaw Kiszczak and Defense Minister Floran Siwicki, both generals. The others are Transport Minister Franciszek Wieladek and Foreign Trade Minister Marcin Swiecicki.

## Bogotá Assassin Rifle Tied to Israel

NEW YORK (AP) — An assault rifle seized in the arrest of four suspected assassins of a Colombian presidential candidate has been traced by U.S. authorities to an Israeli arms shipment intended for Antigua, New York Newsday reported Wednesday.

The Galil rifle is not believed to be the actual murder weapon in the Aug. 18 assassination, allegedly by drug traffickers, of Luis Carlos Galán, the newspaper said.

The newspaper quoted a spokesman for the Bureau of Alcohol, Tobacco and Firearms as saying the rifle had been part of an Israeli arms shipment purportedly destined for the defense force of the island of Antigua. Israeli officials have repeatedly said the weapons shipment to Antigua was completely proper and that they had no idea of plans to divert the guns to other countries.

## PLO Warns Over Soviet Emigration

HELSINKI (Reuters) — The Palestine Liberation Organization warned Wednesday that the emigration of Soviet Jews to Israel could set off a new Middle East war.

Farouk Kaddoumi, head of the PLO's political department, said the organization regretted Finland's decision to allow transit flights of Soviet Jews to Israel.

The statement, made in Tunis and issued by the PLO office in Helsinki, said these "organized immigration waves" were an aggression against the Palestinians and contributed to the Israeli occupation of Palestinian territories. It warned of "the effects of the immigration policy which increases the tension in the Middle East and encourages Israel to start another new aggressive war."

## Thai House Acts to Keep Press Curbs

BANGKOK (UPI) — Thailand's House of Representatives, ignoring promises by the prime minister, passed Wednesday the first reading of a press bill which retains the government's power to close down newspapers without court approval.

The House passed four different bills which must be further scrutinized and combined into a final version. But the vote was a clear indication the government intended to hold onto its power to control the press despite a vigorous campaign by the nation's newspapers to transfer such power to the courts.

Newspapers have actually been closed down only rarely, but the threat of closure has an inhibiting effect on the press, editors have said. The votes came despite repeated promises by Prime Minister Chatichai Choonhavan to eliminate government power over the press.

## Renoir Work Stolen From Louvre

PARIS (IHT) — A late-period Renoir portrait was cut from its frame at the Louvre and stolen Wednesday afternoon, Musée de France officials said. In another Parisian art theft, Hébert's "Portrait de Monaluccia" was cut from its frame at the Ernest Hébert Museum.

Officials gave no estimate on Renoir's "Portrait de Femme Assise," done between 1916 and 1918; experts said that its small-format size and period suggested a probable value of $300,000 to $600,000. They said it was impossible to appraise the work more precisely without further information, since Renoir sketched hundreds of portraits of women in his later years.

It was also unclear where the painting was when it was stolen. Although museum officials mentioned a gallery, experts said the portrait had presumably been in the restoration workshop or in storage because all Impressionist paintings that used to be part of the Louvre collection have been transferred to the Musée d'Orsay.

## South Africa Suspends Seal Slaughter

JOHANNESBURG (AP) — South Africa said Wednesday that it was suspending plans to kill 30,000 seals to produce animal feed and aphrodisiacs while it considers protests from environmentalists around the world.

Environment Minister Gert Kotze said he was suspending the hunt to study public reaction to plans to kill 25,000 seal cubs and 5,000 adult male seals on the northwest coast later this month.

"This is not backtracking at all, but its fair towards the public and conservationists to consider their objections, and I want time to do that," Mr. Kotze said. South African and international environmentalists protested a Taiwan business group's plans to kill the seals.

# TRAVEL UPDATE

## Greece Disrupted by National Strike

ATHENS (AP) — A nationwide strike disrupted transportation and brought Greece to a virtual standstill as civil servants joined private employees and store owners to challenge the government's austerity and development programs.

Flights on Olympic Airways, the national carrier, were disrupted by two three-hour walkouts. Many flights were rescheduled, causing inconvenience to thousands of vacationers waiting at the airport in temperatures of 40 degrees centigrade (104 Fahrenheit).

A public transportation standstill forced commuters to either stay home from work or hitch rides on major thoroughfares. Private cars and taxis jammed the city, raising air pollution to a record level in Athens.

India will resume flying its Airbus A-320s, which were grounded five months ago after a crash that killed 90 people. *(AFP)*

Flights were cut by about 60 percent at French airports Wednesday as air controllers entered the second day of a three-day strike over pay and staffing. Airport officials said only about a third of the 1,400 incoming and outgoing flights at Orly and Charles de Gaulle airports were expected to fly, leaving thousands of vacationers seeking other routes. *(Reuters)*

# VISAS: *Albania Prepares Delivery*

(Continued from page 1)

late Wednesday to send a chartered Lufthansa airliner to Tirana with food, medical supplies, beds and other necessities for the refugees, who include a number of children and women, one of whom is pregnant, the Foreign Ministry spokesman said.

West Germany sent a doctor to Tirana on Tuesday and another was scheduled to leave late Wednesday to care for several people who were injured as they stormed the embassy. One man was shot in the lung and gravely injured, the spokesman said. He was taken to a hospital under embassy escort, but Albanian police refused to allow the diplomat to remain.

Foreign Minister Hans-Dietrich Genscher of West Germany sent a stiff message to the Albanian government protesting the shooting on its embassy doorstep and stating that West Germany considered the hospitalized refugee to be under its protection.

The Albanian ambassador in Bonn was summoned to the Foreign Ministry three times Wednesday, and West Germany consulted with its EC partners in Brussels on a common approach to the crisis.

Another man was shot in the leg as he climbed over a fence into the West German Embassy but was being treated by the German doctor, as were several refugees who were cut and bruised as they crashed through the embassy gates in a truck.

Diplomatic sources said it was not certain whether the refugees had entered the embassies seeking to leave the country, or whether they were fleeing for their lives from security forces and workers backing the regime.

Albania has modestly lifted oppressive restrictions in recent months as other former Communist nations underwent radical transformation.

The government headed by President Ramiz Alia has said it will never abandon communism, but last month it lifted a ban on religious propaganda, abolished the death penalty for defectors and announced plans to allow all Albanians the right to apply for a passport.

Diplomats said there are signs of a split in the leadership between those backing attempts to bring Albania into closer contact with the modern world, and a faction headed by the widow of the Communist leader Enver Hoxha that seeks a return to strict isolation and hardline Stalinism. The faction includes Defense Minister Prokop Murra.

# Maurice Girodias Dies at 71

By Alan Riding
*New York Times Service*

PARIS — Maurice Girodias, 71, the French publisher whose early editions of such books as Vladimir Nabakov's "Lolita" and Henry Miller's "Tropic of Capricorn" led him into long battles with French censors, died Tuesday night, apparently of a heart attack.

Mr. Girodias, who was stricken while giving a radio interview, also published works by Samuel Beckett, Jean Genet, Lawrence Durrell, J. P. Donleavy, William Burroughs and Georges Bataille. But he was best known for first bringing "Lolita" into print.

He began his publishing career in the 1930s as a teenage assistant to his father, Jack Kahane, who first published Henry Miller's "Tropic of Cancer" and who formed part of the literary circle flourishing in Paris at the time.

After World War II, he founded Olympia Press, but it foundered under the pressure of censors who banned a number of its editions as pornographic. In the early 1960s, he opened a nightclub, but it was closed by the police after he presented a show inspired by the Marquis de Sade's "Philosophy in the Bedroom."

In 1964, after being banned from publishing for 90 years, Mr. Girodias decided to go into exile in the United States. He lived there until 1974 when he was frustrated in his attempt to publish a book of political fiction in which Henry A. Kissinger was the main hero.

Returning to France, where censorship rules had by then been liberalized, he wrote his autobiography, "A Day on Earth," with the first volume called "The Arrival" and the second volume "The Gardens of Eros."

### Anatoli Grishchenko, 53, Soviet Hero of Chernobyl

SEATTLE (AP) — Anatoli Grishchenko, 53, a Soviet helicopter pilot who contracted leukemia after fighting the fire at the Chernobyl nuclear plant, died Monday of cardiopulmonary failure.

Mr. Grishchenko had been in critical condition with a lung infection for more than two weeks at Fred Hutchinson Cancer Research Center, where he had received a bone-marrow transplant April 27.

In 1986 he repeatedly flew his helicopter through the radioactive gases spewing from the Chernobyl plant, dumping sand and cement in an overmatched effort to cap the crippled reactor.

### Marquis W. Childs, 87, Reporter and Columnist

*New York Times Service*

Marquis W. Childs, 87, a foreign correspondent, columnist, author and winner of a Pulitzer Prize for distinguished commentary, died Saturday in San Francisco. He had been in failing health.

Starting with The Post-Dispatch in 1926, Mr. Childs won his Pulitzer Prize in 1970. He retired in 1974 but continued to express his views occasionally in the paper.

Mr. Childs began his career in 1923 with the United Press, then joined the Post-Dispatch in 1926. He transferred to the paper's Washington bureau in 1934, where he served as bureau chief from 1962 to 1969. He then was a contributing editor until retiring in 1974. From the mid-1940s to mid-1970s, he also wrote his popular column dealing with politics and international relations. He also wrote three novels and about a dozen books of nonfiction.

### Snooky Lanson, Star Of "Your Hit Parade"

NASHVILLE, Tennessee (AP) — Snooky Lanson, 76, singing star of the popular 1950s show "Your Hit Parade," died here Monday.

Mr. Lanson sang on the show from 1950 to 1957 as a replacement for Frank Sinatra. The TV version of the legendary radio "Lucky Strike Hit Parade," the show counted down the top tunes of the week and featured "extras." Among the songs he sang were "Ebb Tide," "He," "Mr. Sandman" and "Mona Lisa."

■ *Other deaths:*

**Dr. J.C.R. Licklider**, 75, an early computer scientist who was credited with pioneering work that established the basis for time and resource sharing, June 26 in Arlington, Massachusetts, of complications after an asthma attack.

**O. Hillel**, 64, a founder of modern Hebrew poetry and winner this year of the Anderson Prize for Children's Literature, Saturday after an extended illness in Tel Aviv.

**Chapman Shaw Root**, 65, one of America's wealthiest people and a former chairman of the largest Coca-Cola bottling company, Monday after a long illness in Atlanta.

**Colonel Thomas H. Johnson**, 46, director of the Science Research Laboratory at the U.S. Military Academy at West Point, June 26 in Washington of Lymphoma. In the last decade he was a member of several governmental panels dealing with nuclear fusion and space. He was the author of many literary essays and poems.

**Marion Rice Hart**, 98, a sportswoman and author who sailed a ketch around the world and in her later years made seven solo flights across the Atlantic, the last at age 83, of pneumonia in Berkeley, California. She wrote many magazine articles and three books: "I Fly As I Please," "How to Navigate Today" and "Who Called That Lady a Skipper?"

**Hans-Rudolf Kurz**, 75, a Swiss military historian who headed an international inquiry into allegations of war crimes against President Kurt Waldheim of Austria, died Friday in Bern after several weeks in hospital.

# WEATHER

| EUROPE | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Amsterdam | 18 | 64 | — | — | c |
| Athens | 33 | 91 | 23 | 73 | fr |
| Barcelona | 33 | 73 | — | — | su |
| Belgrade | 27 | 81 | — | — | sf |
| Berlin | 20 | 68 | — | — | r |
| Brussels | 18 | 64 | — | — | c |
| Budapest | 24 | 75 | — | — | r |
| Copenhagen | 18 | 64 | 9 | 48 | r |
| Costa Del Sol | 28 | 100 | — | — | su |
| Dublin | 17 | 63 | 11 | 52 | r |
| Edinburgh | 17 | 63 | — | — | r |
| Faro | 32 | 90 | 19 | 66 | fr |
| Florence | 27 | 81 | — | — | fr |
| Frankfurt | 19 | 66 | — | — | r |
| Geneva | 17 | 63 | — | — | cl |
| Helsinki | 21 | 70 | 11 | 52 | fr |
| Las Palmas | 27 | 81 | — | — | su |
| Lisbon | 26 | 79 | — | — | su |
| London | 20 | 68 | — | — | c |
| Luxembourg | 17 | 63 | — | — | c |
| Madrid | 30 | 86 | — | — | fr |
| Milan | 23 | 73 | 15 | 59 | fr |
| Moscow | 22 | 72 | 17 | 63 | fr |
| Munich | 22 | 72 | — | — | c |
| Nice | 26 | 79 | 18 | 64 | fr |
| Oslo | 20 | 68 | — | — | sh |
| Paris | 20 | 68 | 10 | 50 | c |
| Prague | 24 | 75 | — | — | c |
| Reykjavik | 11 | 52 | — | — | cl |
| Rome | 28 | 82 | — | — | su |
| Stockholm | 18 | 64 | — | — | cl |
| Strasbourg | 14 | 57 | 10 | 50 | r |
| Vaduz | 22 | 72 | — | — | cl |
| Vienna | 24 | 75 | — | — | r |
| Warsaw | 20 | 68 | 12 | 54 | r |
| Zurich | 16 | 61 | — | — | cl |
| **MIDDLE EAST** | | | | | |
| Ankara | 30 | 86 | 12 | 54 | fr |
| Cairo | — | — | 22 | 72 | fr |
| Istanbul | 30 | 86 | 22 | 72 | fr |
| Jerusalem | 28 | 82 | — | — | fr |
| Tel Aviv | 30 | 86 | — | — | fr |
| **OCEANIA** | | | | | |
| Auckland | — | — | — | — | su |
| Sydney | 16 | 61 | 8 | 46 | fr |

| ASIA | HIGH C | HIGH F | LOW C | LOW F | |
|---|---|---|---|---|---|
| Bangkok | 33 | 91 | 25 | 77 | r |
| Beijing | 33 | 86 | 22 | 72 | fr |
| Hong Kong | 31 | 88 | 24 | 75 | sh |
| Manila | 33 | 91 | 24 | 75 | sh |
| New Delhi | 39 | 86 | — | — | fr |
| Seoul | 26 | 79 | 17 | 63 | fr |
| Shanghai | 32 | 90 | 23 | 73 | r |
| Singapore | 31 | 88 | 25 | 77 | sh |
| Taipei | 33 | 91 | 27 | 81 | sh |
| Tokyo | 26 | 79 | 22 | 72 | sh |
| **AFRICA** | | | | | |
| Algiers | 30 | 86 | — | — | su |
| Cape Town | 15 | 59 | 12 | 54 | r |
| Casablanca | 25 | 77 | 21 | 70 | cl |
| Harare | — | — | — | — | su |
| Lagos | 29 | 84 | 26 | 79 | sh |
| Nairobi | 21 | 70 | 10 | 50 | c |
| Tunis | 37 | 99 | — | — | su |
| **LATIN AMERICA** | | | | | |
| Buenos Aires | 13 | 55 | 9 | 48 | r |
| Lima | 20 | 68 | 16 | 61 | c |
| Mexico City | 22 | 72 | 13 | 55 | cl |
| Rio de Janeiro | — | — | 21 | 70 | cl |
| **NORTH AMERICA** | | | | | |
| Anchorage | 23 | 73 | 11 | 52 | pc |
| Atlanta | 35 | 95 | 21 | 70 | fr |
| Boston | 27 | 99 | 24 | 75 | t |
| Chicago | 37 | 99 | 20 | 68 | t |
| Denver | 30 | 86 | 16 | 61 | t |
| Detroit | 35 | 95 | 21 | 70 | t |
| Honolulu | 30 | 86 | 22 | 72 | pc |
| Houston | 34 | 97 | 24 | 75 | t |
| Los Angeles | 30 | 86 | 19 | 66 | fr |
| Miami | 34 | 93 | 26 | 79 | t |
| Minneapolis | 31 | 88 | 22 | 72 | t |
| Montreal | 29 | 84 | 18 | 64 | t |
| Nassau | 34 | 93 | 25 | 77 | t |
| New York | 36 | 97 | 26 | 79 | t |
| Phoenix | 42 | 108 | 29 | 84 | pc |
| San Francisco | 21 | 70 | 13 | 55 | pc |
| Seattle | 22 | 72 | 14 | 57 | pc |
| Toronto | 32 | 90 | 18 | 64 | t |
| Washington | 37 | 99 | 26 | 79 | t |

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

THURSDAY'S FORECAST — CHANNEL: Very choppy. FRANKFURT: Rainy. Temp. 17—12 (63—54). LONDON: Showers. Temp. 18—10 (64—50). MADRID: Sunny. Temp. 36—17 (96—63). NEW YORK: Stormy. Temp. 34—20 (93—68). PARIS: Showers. Temp. 21—13 (70—55). ROME: Sunny. Temp. 29—18 (84—64). TEL AVIV: Hot. ZURICH: Rainy. Temp. 16—12 (61—54). BANGKOK: Showers. Temp. 32—23 (90—73). HONG KONG: Hot. MANILA: Showers. Temp. 32—23 (90—73). SEOUL: Cloudy. Temp. 28—19 (82—66). SINGAPORE: Sunny. Temp. 29—26 (84—79). TOKYO: Partly cloudy. Temp. 26—21 (79—70).

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# Marcos Relishes Acquittal, But Faces More Suits in U.S.

By Craig Wolff
*New York Times Service*

NEW YORK — Rejoicing in court and at church and at restaurants and parties over the last few days, and in front of an endless procession of cameras, Imelda N. Marcos expressed her gratitude to the U.S. justice system for clearing her of criminal charges.

But that same system, which on Monday handed down a not-guilty verdict in her racketeering case in New York, is still churning on a variety of fronts to decide how much money and assets Mrs. Marcos may yet have to surrender to the Philippine government.

No less than four civil actions are pending in the United States, as well as a case before the Federal Supreme Court in Switzerland to decide the fate of a vast fortune Mrs. Marcos is said to hold there.

Mrs. Marcos is not even completely through with New York courts. A federal district court judge, Pierre N. Leval, is still contemplating what to do with the four Manhattan skyscrapers that were at the heart of the criminal case against her.

She was charged with systematically stealing, along with her late husband, Ferdinand, more than $200 million from the Philippine treasury and then hiding the money through investments in the buildings.

In acquitting her, the jurors said they saw no evidence that Mrs. Marcos knew how the money had been gained.

Most of the civil cases will be affected by the jury's acquittal of her in New York, but precisely how was a matter of debate.

Her defense lawyers said it would take the energy out of the civil cases because much of the same evidence that was used in the criminal case is the foundation of those suits.

"On a practical level, it will cause everyone to reassess their positions because the evidence is essentially the same," said John J. Bartko, one of Mrs. Marcos' lawyers.

But Charles G. LaBella, one of the assistant U.S. attorneys who prosecuted Mrs. Marcos, said: "I'm not so sure I agree. There's a higher standard of proof here than you have for a civil case."

Both the defense lawyer and the prosecutor agreed that had there been a conviction in the criminal case, the judges in the civil cases might well have looked at this as a determining factor.

Mrs. Marcos' three-month trial in Manhattan showed that the Malacañang Palace was an open place, where people — especially investors, bankers and wealthy entrepreneurs — had fairly easy access.

Much of the testimony dealt with the acceptance of "commissions" on government contracts by Ferdinand E. Marcos while he was president. Witnesses said he made deals in back rooms and on golf courses.

Much of the money, of course, was believed to have wound up as down payments for the New York buildings.

Judge Leval has frozen the titles to the buildings with an injunction, ruling that the titles cannot change hands until the Philippine government has decided if it will pursue a case against Mrs. Marcos in Manila.

Corazon C. Aquino, the Philippine president, said in a statement that the government would wait until "the risk of uprisings" by Marcos supporters abated before it would put Mrs. Marcos on trial in Manila.

# U.S. Silenced Inmate Who Said Quayle Used Drugs

By Michael Isikoff
*Washington Post Service*

WASHINGTON — The director of the U.S. Bureau of Prisons, acting four days before Dan Quayle was elected vice president in 1988, ordered that a prisoner be placed in special detention and barred from talking to reporters about allegations that the prisoner had once sold marijuana to Mr. Quayle, according to a letter from a bureau lawyer.

The action by the prisons director, J. Michael Quinlan, was confirmed in the letter from a Bureau of Prisons regional counsel, Carolyn A. Sabol, to a lawyer representing the inmate, a convicted drug smuggler. The letter was disclosed in federal court this week.

The letter confirmed that during the week before the election, officials at a federal prison in El Reno, Oklahoma, twice placed the inmate in a special detention cell. The first time, on Nov. 4, the action was taken under direct orders from Mr. Quinlan.

The inmate, Brett C. Kimberlin, was removed from the special punishment cell the next day. But on the morning of Nov. 7, election eve, Mr. Kimberlin was again placed in detention, this time to prevent him from calling reporters, according to the letter.

Ms. Sabol wrote that Mr. Kimberlin was trying to "misuse the telephone" and violate prison rules relating to news media contacts. But in a lawsuit filed in U.S. District Court here, Mr. Kimberlin charges that Mr. Quinlan and Loye W. Miller Jr., a Justice Department spokesman, conspired to silence him in an effort to protect the Republican ticket of George Bush and Mr. Quayle.

The defendants "intentionally caused" Mr. Kimberlin to be placed into detention "for the purpose of stifling his attempts to communicate with the press about a matter of public interest," states the lawsuit filed by Howard T. Rosenblatt, Mr. Kimberlin's lawyer.

Greg Bogden, a Bureau of Prisons spokesman, said he could not comment on the lawsuit. But in her June 19 letter to Mr. Rosenblatt, Ms. Sabol disputed the charges and stated that the detentions were carried out "according to applicable Bureau of Prisons policy."

Mr. Kimberlin is serving a 50-year sentence for drug smuggling and taking part in series of 1978 bombings in Indiana.

During the last few weeks of the 1988 campaign, he called several news organizations to allege that he had smoked marijuana with Mr. Quayle at a fraternity party in Bloomington, Indiana, in 1971 and then sold him the drug more than a dozen times over the next few years.

Mr. Kimberlin never offered any corroboration for his story, and no major news organization reported it prior to Election Day. "The vice president has never used marijuana or, to his knowledge, met Brett Kimberlin," Mr. Quayle's press secretary, David Beckwith, said Tuesday.

Nevertheless, Mr. Kimberlin's contacts with reporters were known to have been closely monitored by top officials of the Bush-Quayle campaign after the campaign received inquiries from several news organizations.

# U.S. Moves to Lessen Foreign Firms' Political Clout

By Martin Tolchin
*New York Times Service*

WASHINGTON — Spurred by pressure from lawmakers who maintain that foreign corporations are exerting undue influence on the American political system, the Federal Election Commission has agreed to consider banning the political action committees of foreign companies' U.S. subsidiaries.

The ban, if approved by the commission, would reduce the political strength of foreign investors, whose lobbyists have become familiar figures on Capitol Hill.

The Congressional Research Service reported in November that of the $56 million contributed to candidates for federal office in 1988 by corporate political action committees, $2.8 million, or 5 percent, came from committees whose companies had "significant foreign ownership."

The report did not define that phrase, but 118 U.S. subsidiaries were on the list, and most are wholly owned by foreign private interests or governments.

Leading the way was Joseph E. Seagram & Sons Inc., wholly owned by Canadian interests, whose committee gave $174,150, and Shell Oil Co., wholly owned by the Netherlands and Britain, whose committee gave $155,075.

Although the 1974 amendments to the Federal Election Campaign Act prohibited contributions by foreign nationals to federal, state or local elections, the commission has consistently defined a U.S. subsidiary of a foreign company as American, provided that its principal place of business is in the United States, that its political action committee is administered by U.S. citizens and that only U.S. citizens contribute to the committee.

The first step in the possible undoing of these precedents came last Thursday, when the commission voted 4 to 1 to instruct its general counsel to draft a regulation that would ban the committees of American companies that are at least 50 percent owned by foreign corporations.

The commissioner who voted against the move, Joan Aikens, said that such a ban would be a "radical departure" from the previous rulings, which, she noted, have helped ensure the right of U.S. citizens who are employed by foreign-owned companies to participate fully in the political process.

The proposal that a regulation be drafted was offered by John W. McGarry, vice chairman of the commission, who said that although employees' contributions to the committees were voluntary, most employees' desire to please corporate executives created "built-in coercion."

Mr. McGarry said the vote meant only that the commission wanted to consider the issue again, not that it was necessarily prepared to adopt the regulation.

Senator Lloyd Bentsen of Texas, a Democrat who is chairman of the Finance Committee, has told colleagues that he plans to propose legislation that would ban committees of companies whose ownership is at least 50 percent foreign.

# Policeman Says Jogger Was Thrashing in Shock

By Ronald Sullivan
*New York Times Service*

NEW YORK — A New York City police officer has described to a Manhattan jury the grisly scene when he turned the headlights of his patrol car onto the body of a jogger who was raped and nearly beaten to death in Central Park last year.

Joseph Walsh testified on Tuesday that the woman was still moving as if fighting off her assailants, although the evidence shows she had been attacked four hours earlier and left for dead.

"The first thing I saw," Mr. Walsh said, "was that she was naked, severely beaten and laying face up in the mud and kicking out with her feet.

"One of her eyes was puffed out, way out, and there were cracks on her, cracks on the side of her head."

Mr. Walsh said he bent over the moaning, thrashing woman: "I asked her, 'Who did this to you? Can you speak to me?' But she couldn't respond.

"Her hands were tied in front of her face and I had to take this gag out of her mouth," he continued. "She made a gurgling sound, and she kept moving her hands up and down, up and down, as she kept kicking out. She seemed to be in some kind of shock. She seemed to be looking right at me but she was looking right through me."

The assistant district attorney, Elizabeth Lederer, then pulled a blood-soaked shirt from an evidence bag in State Supreme Court in Manhattan and asked Mr. Walsh if that was the shirt that he found tied around the victim's neck.

"Yes, it was," he said in a choking voice.

Without her asking, he stood up and twirled the shirt before the jury until it became a long knotted rope. He then placed the knotted shirt around his neck, demonstrating for the transfixed jurors how it was tied around the victim's neck.

The three defendants on trial on charges of rape and attempted murder — Raymond Santana, 15, Antron McCray, 16, and Yusef Salaam, 16 — just stared at the witness.

Mr. Walsh then described how, while waiting for an ambulance, he tried to place a yellow blanket over the woman. Each time he tried, however, she kicked it off.

He said he was led to the woman by two men who discovered her on the side of a secluded path in the north end of the park.

The discovery of the woman at about 12:30 A.M. on April 20, 1989, immediately transformed what the police had believed was a night of harassment and assaults on male joggers by groups of youths into a case of rape and attempted murder.

All told, six youths are charged in the attack on the woman. The others — Kevin Richardson, 15, Steven Lopez, 16, and Kharey Wise, 17 — are to be tried later.

The testimony of Mr. Walsh followed that of two police officers who arrested several of the youths earlier that night for the assaults on the male joggers.

The two officers said the north end of the park was saturated with police officers searching for the marauding youths about the very moment the woman, a 29-year-old investment banker, was being beaten and raped.

But the police apparently missed the desolate area where the attack occurred.

### 6 Killed on Spanish Train

*The Associated Press*

MADRID — Six people died and eight were injured when a beam on a freight train broke loose and slashed through a car of a passenger train heading in the opposite direction, a state rail spokesman said Wednesday. The accident occurred Tuesday east of Madrid.


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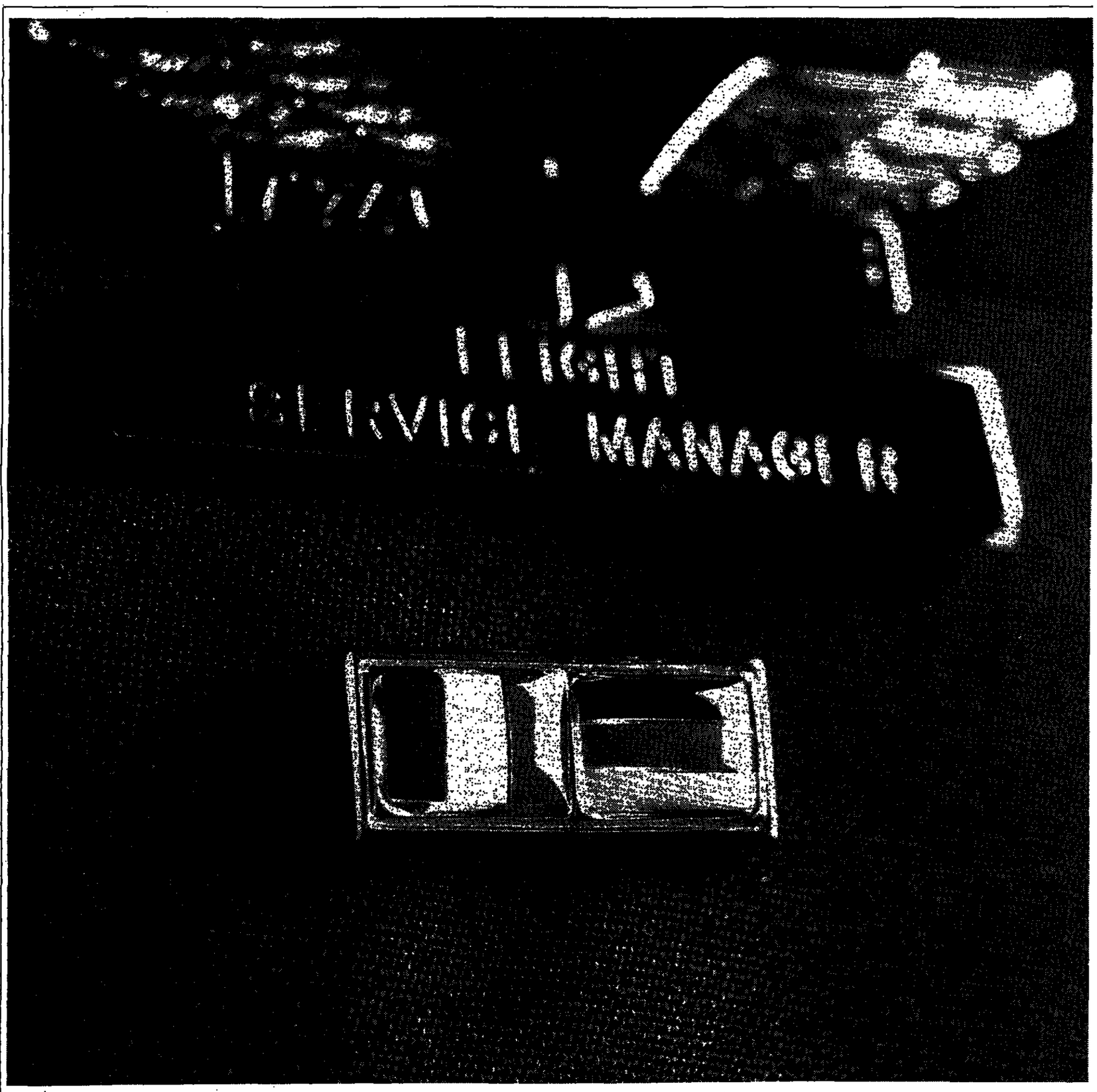

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# OPINION

## A Big Year for Liberty

Seldom was there a Fourth of July that marked such a marvelous leap forward of the values on which the United States was founded. Just in the past year, a major region of Europe has been freed and allowed to resume working out a destiny of liberty; the Soviet Union has experienced democratic stirrings of dimensions unseen in Russian history, and the Third World has moved erratically but hopefully toward seating the principles of representative government and economic choice. No less a light than Nelson Mandela has just bowed to the American Declaration of Independence for summoning South Africans "to join in the struggle to guarantee the people's life, liberty, and the pursuit of happiness."

The United States, of course, did not invent democracy and free enterprise. These were the products of many minds and many hands. But Americans can take pride in having assembled these elements and put them into effect with their own energy and spirit. They did so with a characteristic claim that these values were not only practical and elevating at home but equally worthy and useful for others.

Then and later, many were to doubt on both pragmatic and philosophical grounds the universal validity of the American creed, or they were to question the specific fashions in which it was elaborated. But if American policies were not always designed and conducted wisely — and certainly this is so — then the American model nonetheless has often shone brightly and has exerted a powerful influence on other peoples reaching to make their own society more just.

What might Americans conclude about the manner in which recent history has seemed to certify the American dream? There is reason to share in the excitement of a citizen's participation in a great cause. But it is early and vain to imagine that history flows without interruption and in only one direction. It is even more foolhardy to take others' turn to the American idea as occasion to slacken the effort to make that idea flourish more generously and fairly at home.

The premise on which America was founded was not that a particular system ensured a particular political or social result. It was that the American system offered citizens of the republic the best conditions in which they could labor for their own ends, individual and collective. The rest of it was always up to them, and it still is.

*— THE WASHINGTON POST.*

## Long Live Flag Chic

A man who went shopping for his wife's birthday last week bought her a shirt covered with stars and stripes — and marveled at social change. Not many years ago, Abbie Hoffman was arrested for wearing a shirt like that. Now the flag's bold graphics turn up everywhere, unchallenged.

Fashion watchers aren't sure why, but Americans are immersed in flag chic. Beyond shirts, stores offer flag-motif bikinis, shorts, tube tops, socks, scarves, sweaters and evening gowns. Ralph Lauren designed a flag swimsuit, Perry Ellis a $2,000 cashmere stole. A shop in Greenwich Village stocks bedroom slippers with stars, stripes and plastic visages of George and Barbara Bush.

Flag chic stirs misgivings among veterans' groups and others who campaign for flag protection laws. An American Legion spokesman declares opposition to fashion that "holds the American flag up to ridicule."

That's knee-jerk chauvinism recalling a scene in the musical "Hair." Two characters fold a flag in the proper fashion ("Folding the flag means taking care of the nation . . . "). Then they begin: "Don't put it down/Best one around/Crazy for the red, blue and white . . . My heart beats true/For the red white and blue/ Crazy for the blue, white and red." The scene does not mock the flag so much as it does reflexive worship of the flag.

As William Safire recently observed, it is wrong to revere the flag too much. With reason, he objected to use of the word "desecration" in laws against flag burning. "Any attempt to make the nation's flag sacred — to endow this secular symbol with the holiness required for 'desecration' — not only undermines our political freedom but belittles our worship of the Creator."

Secular symbols are fair game for ridicule. The tradition is at least as old as Uncle Sam, who was invented by cartoonists early in the 19th century. These days, men dressed as Uncle Sam, with starry top hat, striped pants and stilt legs, are as familiar on the Fourth of July as men dressed as Santa Claus, with phony beards and pillow stomachs, are at Christmas.

To squelch such irreverence — and its newest expressions in flag chic — is to get crazy about the red, white and blue.

*— THE NEW YORK TIMES.*

## Protecting the Ozone

The chemicals that destroy the earth's fragile protective layer of ozone will be largely phased out by the year 2000 under an agreement reached at a 93-nation meeting in London last week. That's a costly but vital step in averting a significant threat to the global environment.

Ozone, a pollutant at ground level, is a natural constituent of the stratosphere. It absorbs a kind of ultraviolet light from the sun that would otherwise harm or destroy most forms of life. But the ozone layer is being destroyed by industrial chemicals known as chlorofluorocarbons, or CFCs.

At a meeting in 1987, the major industrial countries agreed to cut production of CFCs 50 percent by 1998. China and India refused to go along unless given financial aid. The ozone threat has since grown more serious. The hole in the layer that appears over the Antarctic each summer shows signs of emerging in the Arctic as well, threatening northern Europe. A NASA survey of ground and satellite data suggested the global ozone layer has thinned by 3 percent in the last 20 years, a faster rate of destruction than expected.

The new data persuaded industrial countries, led by the European Community and the United States, to phase out CFCs by 2000. In London, the Indian and Chinese delegates said they would recommend that their governments go along. Developing countries have until 2010 to end CFC use. Withdrawing objections, the United States will contribute up to $60 million to the $240 million fund to help developing countries switch from CFCs.

The costs of phasing out CFCs will be heavy. Since the substitutes will be less efficient insulators and refrigerants, the United States may use 3 percent more electricity. But the case against CFCs is so compelling that almost all governments have agreed to act in the common interest.

*— THE NEW YORK TIMES.*

## Other Comment

### Germany Can Lead the Way

Now Germany has been handed a third opportunity to lead Europe — if it can rise to the task. To stabilize the East without losing the West; that is the road Germany must travel if, at last, it is to find its home at the center of a prosperous European order. Economic reunification of the Reich is the first step; though fiendishly complex and full of difficulties, it is by far the easiest of the many tasks that face Germany's bankers and politicians today. Once more the fate of Europe, and perhaps the world, is in German hands. The United States should wish Germany well and help out where we can; it will do us no good if they fail.

*— Walter Russell Mead, author of "Mortal Splendor: The American Empire in Transition," in the Los Angeles Times.*

### The Refugee Crisis in Africa

Some nations are affected by the refugee problem more than others, but no country goes untouched on this troubled continent. Despite some successes — especially the voluntary return of more than 43,000 Namibians — during the past year, the tattered ranks of the displaced continue to swell.

Most recently we have the 150,000 refugees fleeing Liberia to neighboring West African states to escape the ravages of civil war. Zimbabwe itself hosts 83,660 refugees from a senseless conflict that in its many excesses frequently overspills our own borders — the war in Mozambique. But if the strain on us is great, how much greater is it on Malawi supporting 822,500, mainly Mozambican, refugees, and Zambia 140,000? The burden is sure to become bigger.

*— The Herald (Harare, Zimbabwe).*

### And If Gorbachev Now Fell?

Mikhail Gorbachev certainly wanted the downfall of the older generation of East European leaders, who had become a liability to Moscow. But that developments in most East European countries have gone much further than he had intended underlines the helplessness of the present Soviet leadership. Nevertheless, a more hard-line leader could use the Soviet troops remaining in the region to block, or at least hinder, change; therefore, every day that Mr. Gorbachev remains in power will further German reunification and democracy in Eastern Europe. But how much longer can Western policy toward the region be based on the political survival of a man who seems to be anything but firmly in the saddle at home?

*— Neue Zürcher Zeitung (Zurich).*

### Heading for the New Utopia

Because the Marxists promised utopia, capitalists may be tempted to do the same thing. That would be tragic. As Eastern Europe is discovering, the road to free markets is littered with troubles. Even attaining a capitalistic economy doesn't guarantee success in a competitive world. Capitalism can no more deliver perfect liberty, equality and fraternity than could communism. Free markets can't reforest the wasteland left by generations of moral relativism. Indeed, the market contains its own monsters who believe there is no objective right and wrong.

*— John Talton, for Cox News Service.*

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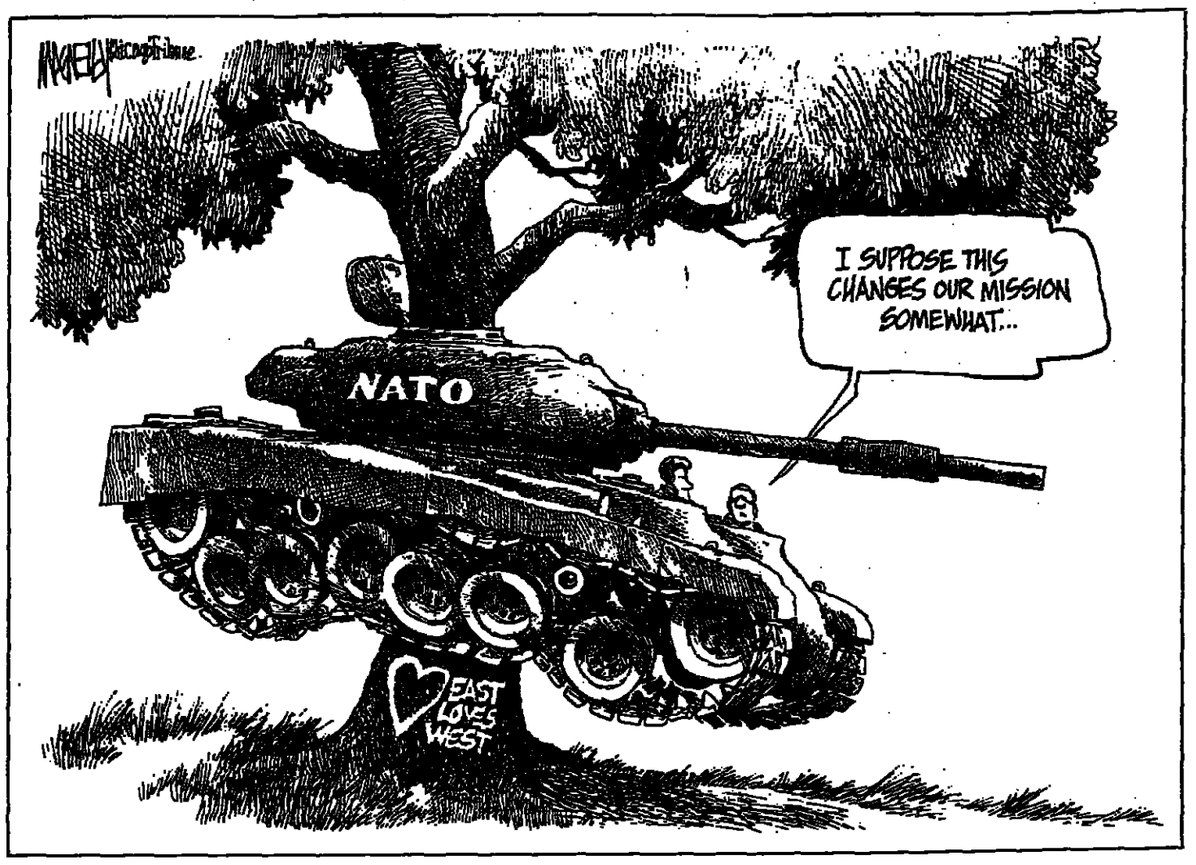



## NATO Should Offer a New Nuclear Equation

**By Hans Binnendijk**

LONDON — The NATO governments are seeking ways to manage a potentially explosive item on the agenda for the summit meeting here Thursday and Friday — negotiations on the future of nuclear deterrence in Europe. After weeks of consultation, the alliance is now in a position to offer the Soviets a new "double zero" proposal to eliminate from Europe all short-range nuclear missiles and nuclear artillery shells belonging to the superpowers.

***A regional ban on warheads for short-range nuclear missiles and nuclear artillery should be verifiable.***

The United States recently moved dramatically in this direction. President George Bush announced in May that America would not modernize the short-range Lance missile. Earlier this week, U.S. officials indicated a readiness to withdraw nuclear artillery from Europe.

The double-zero proposal is less radical than it first appears. The phased withdrawal of Soviet troops from Eastern Europe removes the basic justification for keeping in place any short-range U.S. nuclear systems that are only capable of striking such areas as eastern Germany and Czechoslovakia.

For NATO, the major advantage of a double-zero proposal is that nuclear-capable aircraft would not be subject to negotiation, at least in the early phases of the talks. The Soviets have indicated their desire to ban the modernization of air-delivered nuclear weapons during the talks on short-range nuclear forces. These are scheduled to begin as soon as agreement is reached at the Vienna talks on conventional forces in Europe.

Such a ban is unacceptable since it would affect the long-term credibility of NATO's last instrument for nuclear deterrence. Placing that issue on the table early in the negotiations puts NATO in a vulnerable position.

The Soviets may not like this double-zero proposal. They may wish to retain a short-range nuclear missile capability to offset strategic losses in Eastern Europe. At the same time, they are seeking limitations on NATO's dual-capable aircraft. NATO's price for addressing these concerns should be a Soviet understanding in advance that NATO will be allowed to modernize its remaining air-based nuclear deterrent forces.

The double-zero proposal should also be confined to the Atlantic-to-the-Urals area. During negotiations on intermediate-range nuclear forces, Japan convinced NATO to make the INF ban a global one. But that would be unwise for SNF because short-range systems are still needed for deterrence in places like Korea and because Congress is unlikely to agree to scrap weapons that countries like Iran and Iraq will retain.

A regional ban on warheads for short-range nuclear missiles and nuclear artillery should be verifiable. There are elaborate security measures for nuclear warheads, allowing each side to know precisely where the other side stores them. In a clearly defined region, verification is thus primarily a matter of political will to allow highly intrusive inspections of nuclear storage sites.

A zero-warhead option for missiles and artillery shells has the additional advantage that finding just one warhead of either type in the zone mans a fundamental treaty violation. If warhead verification proves inadequate, however, an alternative would be to verify removal of SNF missiles and to ban nuclear artillery shells by simultaneous unilateral declaration.

Implementation of the double-zero proposal would mean reducing the estimated 4,000 U.S. theater nuclear warheads by between 75 percent and 90 percent. The remaining deterrent force, if modernized and deployed on a dual-capable aircraft, should be consistent with a modified version of NATO's flexible response doctrine.

That doctrine needs modification. A NATO review of nuclear weapons policy is beginning and should be given direction at the London summit. Results may come in stages and may not be completed for over a year. The SNF negotiation may take place in the absence of a clear new doctrine for nuclear employment.

The direction given to NATO planners in London might focus on coordinating efforts among member countries to share nuclear risks than on the specific details of targeting doctrine. The preoccupation of the flexible response doctrine with targeting has left the impression of a willingness to engage in nuclear war. The modified doctrine must avoid this pitfall and shift the focus to shared risks and responsibilities within NATO. A doctrine of coordinated, response rather than flexible, response might have the desired effect.

Earlier this week, the United States suggested another means to take the spotlight off nuclear warfighting by making nuclear systems "weapons of last resort." This has some European allies worried because it appears to make U.S. conventional forces more vulnerable and hence more likely to be withdrawn. They should not worry. The U.S. suggestion stops well short of a "no first use" doctrine, which would delink European and American security. Without a compromise, it may prove impossible to retain nuclear weapons in Germany. No doctrine is useful without the means to implement it.

Close consultative procedures need to be developed within NATO for these bilateral negotiations. In the INF talks, a special consultative group provided an effective mechanism; NATO's leaders might now take the opportunity to reactivate that group.

Maintaining minimal nuclear deterrence in the uncertainty of the post-Cold War world may not be easy. Adopting a double-zero option, modifying flexible response, and establishing a coordinating mechanism for the negotiations are three important steps along that path.

*The writer, an American, is director of studies at the International Institute for Strategic Studies. These are his personal views and do not necessarily reflect those of the institute. He contributed this comment to the International Herald Tribune.*

## Urgently Begin the Restructuring Job

**By Enrico Jacchia**

ROME — NATO's military committee has been directed to study how the alliance's forces in Europe should be restructured. This will be a colossal task. It is sure to be complicated by another event: the inclusion of a reunited Germany into NATO's military structure.

European public opinion knows there has been a major change in the military balance on the Continent. On the Warsaw Pact side, the armed forces of three nations on the Central European front — Poland, Czechoslovakia and Hungary — can no longer be considered adversaries.

The Soviets are withdrawing troops and weapons from Eastern and Central Europe. Senior NATO officials dismiss the possibility that Soviet troops will be kept in East Germany much longer; after reunification, these forces will find themselves in a hostile environment and will be handicapped by long communication lines through Poland.

As a result, the public is asking whether it is necessary to spend large sums of money to keep the armed forces of Western Europe at their present strength — almost 400,000 soldiers in West Germany, for example, and slightly less in France, Italy and elsewhere.

Senior officials at NATO's headquarters in Brussels have a ready answer: We must restructure the military leg of the alliance but we cannot drastically cut military spending because no one knows what will happen in the Soviet Union during the next few years. These officials also stress that new dangers are appearing in other regions — North Africa, the Middle East, Central and South Asia. As a result, NATO's military forces, which until now had just one clearly defined adversary, will have to adopt a doctrine of defense in all directions.

This will require a major restructuring of forces. In Brussels, the military planners are thinking in terms of mobile, multinational units that have "increased firepower," and are "rapidly deployable and flexible," in the words of NATO's secretary-general, Manfred Wörner.

Mobile fighting units would enable the alliance to respond rapidly to challenges from all directions. These units, by becoming NATO's core of military power, would permit substantial reductions in personnel levels.

While the perception of the Soviet military threat in Europe is likely to recede even further in coming months, the restructuring of NATO's forces will likely still be on the drawing board. It could take years for the military committee to carry out, and have approved by the 16 member governments, such a tremendous job. Meanwhile, it must be recognized that the reunited Germany will be part of NATO by the end of the year.

A lack of coordination between these two sets of events could put the alliance at risk. European public opinion demands tangible and immediate peace dividends. The restructuring of NATO's armed forces, with its implicit reductions of personnel and spending, would satisfy those wishes. It is urgent that the task be completed within months, not years.

*International Herald Tribune.*

## Ensure Peace With a Pan-European Security System

**By Angela Stent**

WASHINGTON — West German officials are playing down the impact that a united Germany will have on future European politics. They point out that after unification the Federal Republic will only have added an extra 16 million people to its population of 60 million and that East Germany will comprise only one third of the territory of a united Germany.

But the focus on demographics and geography misses the point. Unification will have a tremendous psychological impact on the population. It will finally fulfill the postwar German dream of emancipation from being an occupied, divided country with less than full sovereignty because of what the Nazis wrought. After unification, the Germans believe that they can put World War II behind them and resume their place as sovereign equal of other European states.

***Germans are asking who it is that the Soviet and American troops on their soil will be protecting them from. They suspect it is none other than themselves.***

Once Germany is united, its role in NATO cannot remain the same. NATO, after all, was founded for the purpose of double containment — to contain the Soviet Union and to integrate Germany by anchoring its western half firmly within the West. It has accomplished its original mission and has also established a long-term American presence on the European continent. NATO, as it is currently structured, may be too limited an organization to provide the necessary institutional framework to guarantee European security after unification.

Today the West supports a united Germany's remaining in NATO because it naturally prefers to preserve its own successful creation. Most East European countries also endorse this view. The Soviet position on Germany and NATO has evolved quite dramatically over the past two months from insistence on neutrality to the proposal that after unification the Federal Republic will remain in NATO and its eastern part will retain an "associate membership" in the Warsaw Pact for a transitional period.

The current Western proposal is that, after unification, Soviet troops will remain on East German soil for an interim period and no NATO troops will be stationed there. The West German government has even offered to pay for the upkeep of Soviet troops in the East, providing Moscow eventually withdraws them.

But the specter of Germany paying for Soviet and American troops has an air of unreality about it and has led some Germans to question why they should remain in NATO once unification has been achieved. Public opinion polls suggest skepticism about the need for NATO in both parts of Germany.

The East German revolution of 1989 was about self-determination and liberation from foreign domination. The majority of East Germans favor a demilitarized, neutral country. In the Federal Republic, a quarter of the population favors neutrality, and only half the population supports a united Germany remaining in NATO.

We may not like the fact, but Germans are beginning to ask who it is that the Soviet and American troops on their soil will be protecting them from in the future. They suspect it is none other than themselves, and this realization is causing growing resentment against what is perceived as an unacceptable infringement on their sovereignty after unification.

Currently the United States and its allies are trying to revamp NATO away from the stress on its military role to make it more palatable to the Soviets. It would be more productive if they focused on the security architecture of a Europe beyond NATO.

The Germans, their European Community partners, the East Europeans and Soviets all look to the CSCE process — the Conference on Security and Cooperation in Europe — as the harbinger of a future all-European security system. The United States remains skeptical about CSCE because it is a large organization and because each of its 35 member states has an equal voice and veto. How could a security system function if Malta had the same weight as the United States? As it now operates, CSCE is not a viable alternative to NATO. But the NATO summit this week could start restructuring it in such a way as to provide acceptable security guarantees and organizational mechanisms for all member states. It would also have to devise a workable system for integrating its members' military forces.

Such a security system, combined with a strong, politically integrated European Community, could successfully anchor Germany to ensure that it could not again threaten the peace and stability of Europe. A restructured, stronger CSCE will also guarantee the United States a major role in Europe in the next century.

*The writer is an associate professor of government at Georgetown University. She contributed this comment to The Washington Post.*

## *Gorbachev Must Make The Choice*

**By Flora Lewis**

MOSCOW — There is no highly charged sense here that once again, as John Reed wrote about Petrograd in 1917, these are days that will shake the world. Mikhail Gorbachev is doing his best to keep his comrades from rocking the boat, trying to keep the Communist Party and the country together. But these are days that are moving the world, days of profound confusion.

The one sure thing is that things won't be the same again even if there isn't a sudden divide to mark the new from the old, because standing still isn't possible any longer.

When he launched reforms at the 27th Congress of the Soviet Communist Party four years ago, Mr. Gorbachev said technology was the key. His country had stagnated for lack of technology, he announced, and now he was going to stir it up and get it moving into modern times.

All the evidence indicates he had no idea of how much further and deeper he would have to go, and that even so it wouldn't be enough to take decisions. Getting rid of the "command system" requires something else to organize people if they are to produce. But the mysterious market and the consensual base of democracy don't create themselves overnight.

Now Mr. Gorbachev is leading his party at its 28th Congress. He had himself made president and is in the process of transferring power from the closed, rigid party system to the government. The party may or may not split here, or change its name, or plod on losing the disgusted young and the talented. This Congress is the last of the old type, nonetheless, and he is trying to acknowledge that without upsetting the die-hards.

He wants the center, but it is crumbling. Last month, I asked one of his advisers which way Mr. Gorbachev would go if the party broke into two or more. The answer was that it depended who provoked the split.

If the "radicals," which means the impatient reformers, walk out, he would stay with the remainder to coalesce a center-right. If the "conservatives" make the challenge, meaning old-liners who say the real trouble is lack of discipline, he would stay to form a center-left.

He prefers avoiding the choice, which means avoiding other choices. The talk is about "the meaning of socialism" and "the role of the party," and words serve to postpone admitting that much has to be dumped. But there is no more reason to think buying time will make things easier.

Living conditions are still getting worse. Even polls reflect the huge pessimism. There is still fear, but a different kind. People are not afraid to speak up, and they say anything. But they are afraid of what's ahead, no longer convinced that change means improvement after awhile.

Now, Chancellor Helmut Kohl of West Germany wants the West to provide a vast cushion of credits to keep Mr. Gorbachev afloat on his current ambiguous course. It makes sense that Mr. Kohl offered some $3 billion from Bonn alone for short-term needs.

The unity of Germany and its coming absorption by NATO has left the Soviets gasping for time to digest the difficult but unavoidable shock. In this case, Bonn wouldn't be buying time, which just isn't available. The Soviets would be selling it, and the money helps ease the inevitable.

The big package, $15 billion to $20 billion from Europe, the United States and Japan, is something else. The Russians deny they asked for it, though Mr. Kohl says he knows they want it. It is supposed to be divided between short-term, to pay pressing bills, and long-term, to support real economic overhaul, but the proportions have not been specified.

More important, neither have the plans. President François Mitterrand of France seems to be giving Mr. Kohl enthusiastic support to make up for his initially sour line on Germany, closing the diplomatic gap. But his argument that the money will assure the reforms isn't a good one.

There is certainly a psychological need for the Soviet people to feel they are on the right road and that the West is prepared to be generous — if they keep going, not if they stall.

President George Bush will be taking this up at the Houston summit meeting next week. He should stick with the old principle that time is money, and wasting it is no gain.

Then Mr. Gorbachev would have another good reason to shove the hangers-on who want to stand still, damn the remaining Stalinist torpedoes and order full speed ahead for his bewildered people.

*The New York Times.*

## 100, 75 AND 50 YEARS AGO

### 1890: Literary Gossip

PARIS — All admirers of Keats will be delighted to know that a very important fact as to him has been discovered. He took snuff. • Balzac's notebook containing a number of fragments of unfinished stories has been discovered, and will shortly be produced in facsimile.

### 1915: The Morgan Attack

NEW YORK — Sensation follows sensation in connection with the shooting of J.P. Morgan by Frank Holt — the same person who placed the bomb in the Capitol in Washington. The general opinion is that Holt was mentally disturbed by the war and by pro-German propaganda. Extraordinary steps have been taken to protect the President from the spread of this homicidal mania on the part of German sympathizers. There is a report that Holt would have made an attempt on the life of Mr. Wilson after his attack on Mr. Morgan. Holt, after explaining that he was an instructor of German in Cornell University, said: "I am a Christian." Pressed as to the inspiration for the attack, he said: "It came from on high."

### 1940: French Target U.K.

GENEVA — French Premier Marshal Henri Petain directed French warships today [July 4] to stop all British merchant ships encountered on the high seas and also ordered French naval vessels at Alexandria to fight their way home, as a result of the action between British and French units in Algeria. In addition, French warships everywhere were directed to fight if attacked by the British. On July 3 a large British force appeared off the harbor of Mers-el-Kebir, where a part of the French fleet was anchored. The British admiral demanded the French admiral either surrender or scuttle his fleet. The French admiral refused and the British opened fire on the French ships.

*— From the New York edition of the New York Herald Tribune.*

# OPINION

## Let's Have an Amendment On Preferential Treatment

By George F. Will

WASHINGTON — Two recent events illustrate two axioms: Almost nothing is as important as almost everything in Washington is made to appear. And the importance of a Washington event is apt to be inversely proportional to the attention it receives.

Last week, while overwrought politicians and echoing media were deconstructing President George Bush's maunderings about "tax revenue increases," little notice was given to another event, one of the most retrograde Supreme Court rulings ever.

***Where will the court's vast new tolerance of racial preferences lead?***

The court bestowed, prospectively, its constitutional imprimatur on virtually any racial spoils system Congress enacts. It effectively overturned a series of precedents that had at least limited the proliferation of what are euphemistically called "race-conscious" policies.

Launching a large innovation with a slender majority, the court ruled, 5 to 4, that henceforth Congress may assign special benefits to particular government-preferred minorities (to the detriment of all who do not make the "preferred" list) and Congress may do so (herewith the large innovation) without regard to any injury resulting from discrimination.

Reverse discrimination is now cut loose from the pretense that it is merely a remedial measure.

During the Carter administration, the Federal Communications Commission, serving that administration's political strategy of courting the Democratic Party's most loyal constituencies, adopted reverse discrimination ("minority preference" is the preferred euphemism) policies. These gave certain minorities advantages in acquiring lucrative broadcast licenses. Congress later mandated this.

Some injured people argued that this violated the constitutional guarantee of equal protection of the laws. Now the court has baldly asserted, without enough real reasoning to qualify even as sophistry, this: Equal protection is not violated if the injury done by reverse discrimination serves "an important government objective."

If the court adheres to this radical new principle, Congress will have a virtually illimitable right to allocate wealth and opportunity on the basis of skin pigmentation.

Hitherto, reverse discrimination has been regarded as constitutionally problematic and permissible only when narrowly tailored as a necessary remedy for past or present discrimination. Now Justice William Brennan, joined by Byron White, Thurgood Marshall, Harry Blackmun and John Paul Stevens, has held that the FCC's reverse discrimination is justified by the comparatively trivial objective of promoting broadcasting "diversity."

Never mind the patently meretricious, not to mention racist, assumption that minority ownership necessarily results in particular broadcasting content. And never mind the violence done to the First Amendment by the notion that Congress has the right to legislate what it considers the "correct" content of broadcasting — a politically stipulated mix of ideas. Justice Sandra Day O'Connor, joined in dissent by William Rehnquist, Antonin Scalia and Anthony Kennedy, stresses the main point: This ruling is another, and huge, retreat from the constitution's core principle, that rights inhere in individuals, not groups.

Where will the court's vast new tolerance of racial preferences lead? No one knows — other than to an avalanche of litigation about racial classifications to promote any goal that Congress calls "important." All that shall be needed to ratify race-based government is for the court to certify, as in this case, that the reverse discrimination is "benign."

What, you ask, are the court's constitutional criteria of "benign"? "Constitutional"? Are you kidding?

The five black-robed legislators casually overturned a line of precedents requiring strict scrutiny of racial classifications. Those precedents said racial classifications could not pass constitutional muster unless Congress tailored them narrowly for strictly remedial purposes.

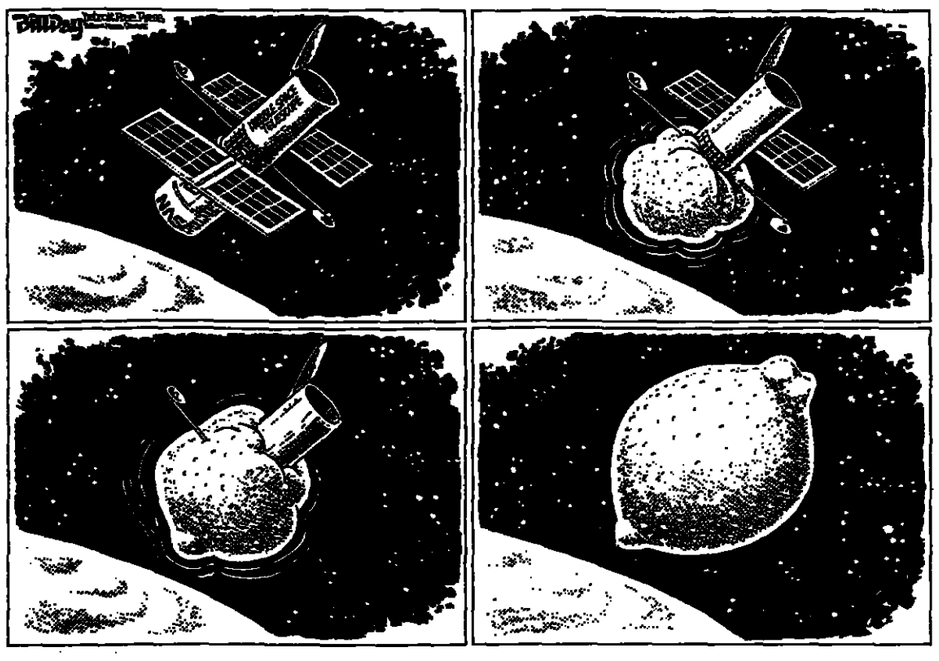
Now these justices must continue to legislate their political whims, bestowing or withholding the label "benign" as the spirit moves them. They must be capricious because there can be no constitutional principle that identifies "benign" disregard of equal protection.

Thirty-six years ago, the court declared school segregation unconstitutional because segregation stamped blacks with a "badge of inferiority." Today the court, and the Congress whose promiscuous use of racial preferences the court now permits, is deepening that stigma. Under "benign" reverse discrimination, blacks, particularly, are identified as permanent wards of paternalistic government, a race regarded as a perpetual child afflicted by so many pathologies that constitutional guarantees and core American values must be violated for therapeutic reasons.

The court is now so unprincipled, and the political temptation for Congress to legislate racial spoils systems is so strong, that a strong remedy is required. Instead of amending the constitution to protect the flag, which does not need such protection, we need an amendment to protect — to restore, really equal protection of the laws.

The constitution needs this 27th Amendment: "Neither Congress nor the states may classify persons on the basis of race, sex or ethnicity for the purpose of preferential treatment."

*Washington Post Writers Group.*



## LETTERS

### On a Threat by Iliescu

The Washington Post editorial "Let Romania Know" *(June 26)* furnishes an accurate picture of conditions in that country. Ion Iliescu's threat that he would not hesitate to call up the miners again (made after they broke up an anti-government demonstration and beat people in Bucharest) recalls methods used by Hitler and Stalin to silence opposition. As to the newspaper Romania Libera, I wish to add that its valiant staff kept clean of any deals with the National Salvation Front, and their articles built bridges between people struggling for a common cause — a life based on freedom, human rights and democracy.

VINTILA BRATIANU.
Paris.

### Is This Representative?

*In response to "For Americans Abroad, Taxation (and Representation?)" (Monday Q&A, July 2):*

Representative Mervyn Dymally repeatedly suggests that Americans abroad should voice their concerns about taxation and other issues through lobbyists in Washington. Has representative government in the United States devolved to requiring the appointment of fee-seeking lobbyists to represent a constituency? Isn't this a function of our elected officials? Mr. Dymally's apparent reliance on lobbyists may be a reminder that the government now has four branches: the executive, the legislative, the judiciary and the paid lobbyist.

C. C. WILLIS JR.
Seoul.

## Symbols of Victory and Defeat

By Dominique Moïsi

PARIS — They are side by side on the mantle piece of the chimney of my house in Normandy. They could not be more different. One is rusty, pierced by a bullet that may have killed or seriously wounded its wearer; it evokes war and brutality. The other glitters with pompous solemnity, shining with gold and adorned with a lyre; it carries images of solemnity and lightness.

***One is rusty, pierced by a bullet; the other glitters with pompous solemnity.***

In their symbolic contrast, placed together as they are, these two objects are for me the best summary of the second half of the 20th century. I found the first, a helmet that belonged to an American GI, rusting in the barn by my house. I restored it with respect, trying to polish it and protect it from further decay.

Sometime during the summer of 1944, in the fighting after D-Day, an American soldier was wounded or killed around what, 40 years later, became my house. This old and rusty piece is a living symbol of a dedication to the cause of freedom. In my geography of values, the helmet links Europe and the United States.

I bought the second object recently in Berlin from a Turkish vendor outside the Reichstag: an army hat belonging — the name of its owner written inside leaves no doubt — to a soldier of Asian origin. The hat attracted me because of its colors — brown and red — and because of the strange combination of its lyre and red star.

Only after I had bought it did I realize that I had in my hands, and soon on my head, a Soviet Army hat. In front of what used to be the Berlin Wall, a little man from Turkey had been selling away a symbol of what used to be feared most in Western Europe, the Red Army. The drama had turned into a musical comedy.

Now these objects stand side by side on my mantle, dual symbols of the American victory in World War II and the Soviet defeat in the Cold War. They are a snapshot of modern European history, the end of World War II and the end of the postwar era.

Yet I would like that old helmet, a banal museum piece, to remain an active symbol of the U.S. presence in Europe. And I wish the Soviet hat to eventually become a museum piece.

As I celebrated the crumbling of the Berlin Wall last year and the process of democratization in what used to be the East bloc, I knew how much I owed my happiness to the presence of that American helmet in Europe.

*International Herald Tribune.*

## *Will Southern California Listen to Mother Nature?*

By Richard Reeves

NEW YORK — When I first saw Santa Barbara 25 years ago I thought it was what God would have done if He had the money. The Lord provided the site, but it was men who came with money earned or stolen in more ordinary places to superimpose a lush and exclusive order that sometimes makes you think you are in the painting of a master.

"But what the Lord giveth ..." The destruction in the 4,900-acre Santa Barbara fire is almost biblical in its rage and

### MEANWHILE

implications. It is as if we are being punished for its arrogant genius in ceaselessly trying to upgrade what He did in the six days that made the world. Maybe God never intended for land in Southern California to be bought and sold for $200 a square foot — or maybe this is indeed a warning about how we use the planet.

Modern Southern California, a rich civilization laid on scrubby grassland and desert, is one of man's greatest triumphs over Nature. Certainly the creator never meant for millions and millions of people to live along the Pacific Coast from Long Beach to Santa Barbara. The water has to be piped in over hundreds of miles and no one has ever discovered how to get the bad air out.

A Spanish missionary, Father Juan Crespi, may have been the first European to travel along the coast. That was in August of 1769. He wrote of the beauty of the place, but saw that the land supported only a few Indian settlements. He also noticed the signs of alternating drought and "great floods" and felt earthquake after earthquake, "which astonishes us."

The men who followed the missionaries defied God, defied Nature, living in air they regularly poisoned, rerouting rivers, leveling the hills, filling the canyons, building thousands and thousands of homes among the gnarled little trees and bushes — the "brush" in brushfires — that burn periodically and so provide fertilizer and room for new growth, on slopes that continually slide back into canyons, above earthquake fault lines veined deep into the earth.

The fires, the mudslides, buried springs and creeks rising to flood the basements of homes and office buildings on La Ciénega Boulevard — the word is Spanish for swamp — is a message from Nature. She wants Southern California back.

I moved to Pacific Palisades, on the coast south of Santa Barbara on Oct. 23, 1978. The sky was dark in midafternoon when I landed at Los Angeles International Airport.

By 6 P.M., I was standing in front of our house watching waves of orange flame break over the mountains. Houses in the path of the waves exploded silently just before the flames reached them. I counted eight — puffs of bright gas, then the houses were gone.

By 7 P.M., I was packing the car — family photo albums and insurance policies first — and listening to a radio report of fires melting as others tried to escape the fire in automobiles.

At 8 P.M., the winds — the fierce, hot desert winds called the Santa Anas — died down and the waves of fire spent themselves five blocks away. The fires in Mandeville Canyon and Malibu had destroyed 31,000 acres and 270 houses.

By the next morning people were already planning to rebuild. California is almost irresistible. In a letter to his sister from Santa Barbara, in 1905, Henry Adams wrote: "The charming sweetness and comfort of this spot have completely bowled me over — such a delicious difference to the rest of the United States do I find it."

So it was and so it is, I suspect, to the 2,000 people moving to California each day. Since they see themselves as old-timers about a week after they arrive, they have a great need to rationalize their struggles with Nature scorned. It's too draining to constantly think that God is about to strike you dead. This time, they say the fire was "arson," as if that made it unnatural, a kind of accident.

But, in fact, it is completely natural. The brushfires, which were started by lightning before man arrived, are Nature's way of renewing the soil and strengthening the bushes and trees that prevent the land from sliding toward the sea after heavy rains.

"Arson" is the Mrs. O'Leary's cow of Southern California. The cow burned down Chicago and some stupid or crazy kid almost took out Santa Barbara with a single match.

Those stories are a way to avoid thinking about the fact that Santa Barbara — like the old Chicago of wooden houses — will always be a fire about to happen. It doesn't matter how the thing starts, sooner or later there will be brushfires in California until the end of time.

I am not an apocalyptic environmentalist. I have the same problem with some zealous friends of the earth as John Sununu does in the White House: We were both educated as engineers, adopting the rather arrogant faith that men can break Mother Nature.

Not always, I'm afraid. Could we destroy ourselves by depleting ozone layers or rain forests? Probably not, but events like the Santa Barbara fire are relatively small reminders that human recklessness has a price. Push God and Nature too far and they push back.

*Universal Press Syndicate.*

*Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.*

# GENERAL NEWS

## NATO Looks for a Dramatic Gesture to Entice the Kremlin

*New York Times Service*

BRUSSELS — NATO's foreign ministers, meeting here to prepare for the summit meeting in London on Thursday and Friday that will lay out the future of the alliance, are considering some dramatic, visible gesture to convey in their final communiqué to Moscow.

The expectation is that the allies will agree on a plan aimed at making the North Atlantic Treaty Organization less threatening to the Soviet Union, which would lead the Soviet Union to drop its opposition to the membership of a united Germany in NATO.

One gesture could be sending a foreign minister, or more than one, to personally deliver the final statement to the Soviet foreign minister, Eduard A. Shevardnadze.

Considering that the Soviet leadership is in the midst of its 28th Communist Party congress, in which President Mikhail S. Gorbachev is being assailed by hard-liners for having "lost" Eastern Europe, officials believe that the way the NATO communiqué is actually conveyed to Moscow could significantly enhance its message.

The "medium," said one official, will be "part of the message."

NATO officials will be considering proposals that would begin to reshape the alliance's defense strategy and make it appear to be more of a collective security organization providing stability in Europe than a bulwark against an aggressive Soviet Union. But the American officials conceded that there are still significant differences among the allies on which proposals to adopt.

Among the proposals is that NATO modify its nuclear policy, declaring nuclear weapons to be arms of "last resort."

Also proposed are plans for NATO to thin out its forces along the frontier with Eastern Europe, to eventually withdraw all its nuclear-tipped artillery shells from Europe, and to institutionalize the 35-nation Conference on Security and Cooperation in Europe so that Moscow could feel it is part of an all-European organization after the Warsaw Pact disappears.

"The Soviets have indicated that this NATO meeting and declaration is very important to them," said Secretary of State James A. Baker 3d.

"It is going to be issued during the period of their party congress," he added. "They are going to want to see that the West means it when it says NATO is going to adapt and enhance its political component. They are going to want to see that the West means it when it says that we are, in fact, a defensive alliance, with nonaggressive and peaceful intentions."

Mr. Baker said that the Soviet Union also wanted to be assured that the West was serious when it said that Moscow would be included in the alliances that would shape Europe's new order.

"Taken together," he said, "what we are hoping is that NATO will be sending a very strong signal of this process of change."

But in a signal to the Kremlin, Mr. Baker pointedly added, "Our ability, of course, to follow through on this is going to depend in part on Soviet follow-through."

Asked exactly what response was expected, an administration official said: "What we would like to see happen in the aftermath of this, if we get the kind of declaration we would like — and let me say this is by no means assured — then hopefully we would see a different Soviet response at the Paris two-plus-four meeting, different from the sort of pro forma Politburo response we saw in Berlin" on June 22.

### ■ Soviet Signal on NATO

The Soviet Union has signaled that it will not hold up German unification by stalling on the question of NATO membership, United Press International reported from Moscow.

Speaking to the Communist Party congress ahead of the NATO summit meeting, Mr. Shevardnadze said that a united Germany would be a partner for the Soviet Union in politics, the economy and other fields.

"I will say openly and honestly, with full responsibility: It is not our intent to delay further the solution of the foreign aspects of German unity within the framework of the general settlement," he said.

The Soviet foreign minister noted that a united Germany would have a smaller army than the current armed forces of West Germany.

## Prague Outlines Plans For Market Economy

*Reuters*

PRAGUE — As Czechoslovakia prepares to complete its political transformation by electing Vaclav Havel to a two-year term as president, the country's new government has unveiled its plans for transition to a market economy.

The new Federal Assembly, or parliament, will elect the president by secret ballot during a special session Thursday in the historic Vladislav Hall of Prague Castle.

Mr. Havel, who has served as interim president since December, will be running against Stefan Kvietik, a Slovak actor and parliamentarian whose candidacy was proposed on Tuesday. Mr. Havel is expected to win easily.

Before the election, Prime Minister Marian Calfa said that the government planned to cushion sweeping economic reforms over the next two years with a strong social security system.

Mr. Calfa said that that the new cabinet's first tough steps to dismantle the centralized economy would bring price rises averaging 24.6 percent next week, the highest since 1953.

"This government does not promise castles in the air, nor does it promise blood, sweat and tears only," Mr. Calfa said Tuesday in outlining cabinet policy.

A 16-member cabinet based on the pro-democracy movement Civic Forum was sworn in last week after Czechoslovakia's first free elections for 44 years. The government will hold office for two years.

The new cabinet includes two advocates of speedy transition, Finance Minister Vaclav Klaus and Economics Minister Vladimir Dlouhy.

Mr. Calfa said that prices of 30,000 items, including basic foodstuffs, will rise on July 9 as basic subsidies worth about 27 billion crowns ($1.8 billion) are abolished.

He said Czechoslovaks would receive 140 crowns (about $9) a month as compensation for losing the subsidies.

He said retirement pensions would be restructured in October, raising minimum pensions. Child benefit would be reorganized to help working mothers.

The prime minister promised that the new government would build in anti-inflationary mechanisms as prices are freed and businesses learn to compete without state subsidies or monopolies.

A reformed tax system would penalize industries which pollute Czechoslovakia's already overburdened environment, he added.

"Protecting the environment is priority number one," said Mr. Calfa. He announced the closure of several mines and coal-fired electricity generators in the northern Bohemia industrial region.

Czechoslovakia has said it wants to join the International Monetary Fund, the World Bank and the European Community.

### Athens Pollution Fells 598

*Agence France-Presse*

ATHENS — A total of 598 people were hospitalized here on Tuesday and Wednesday for illness caused by heavy air pollution.

## AID: *Gorbachev, Not Asking, Cites the Need*

(Continued from page 1)

as an alternative to Mr. Kohl's plan.

Mr. Gorbachev emphasized this week that he needed the economic aid now, while the Soviet economy is in the throes of change.

"I should say at this point we need more cooperation, while the government is working out measures for the transition to a market economy," he said in a U.S. television interview Monday after the opening of the Communist Party Congress.

Asked whether he meant immediate aid, Mr. Gorbachev replied: "Yes, yes, yes, exactly. We should have some sort of maneuver, most of all concerning an improvement in the economic situation and in the consumer market." Soviet officials have long been sensitive about asking the West for charity or a bailout.

Mr. Gorbachev, speaking generally about his pressing for greater cooperation with the United States at the summit meeting here last month, said it would be "humiliating for the Soviet Union to pass its hat around."

## BUSH: *A Hint at the Way to Aid*

(Continued from page 1)

Moscow is the main obstacle blocking Japan's participation in economic assistance to the Soviets, Mr. Hatakeyama said.

"There is no way for Japan to give the Soviet Union aid until this matter is solved," Mr. Hatakeyama said at a news conference for foreign journalists.

The dispute over four islands in the Kuril archipelago has prevented Japan and the Soviet Union from signing a peace treaty to formally end World War II.

Japan also cited doubts about the health of the Soviet economy as a basis for withholding aid.

"We do not know where our resources are going," Mr. Hatakeyama said.

Prime Minister Margaret Thatcher of Britain is expected to join Japan in opposing major aid for Moscow.

This sets her against President François Mitterrand of France and Chancellor Helmut Kohl of West Germany, who are expected to push for a major aid package for Moscow at the three-day Houston meeting, which starts Monday.

Mr. Genscher said Wednesday that it was impossible to see how Moscow could make the transition to a market economy without help.

"It is in the common interest of the West to give the Soviet Union this support since a further deterioration of the situation could endanger Mr. Gorbachev, who made the peaceful revolution in East Europe possible," Mr. Genscher told industrial nations at a meeting in Brussels coordinating aid to East Europe. *(NYT, UPI, Reuters)*

### India Arrests Leader Of Separatist Movement

*Agence France-Presse*

NEW DELHI — Federal security forces have arrested a Muslim separatist leader, Mirza Mohammed Hamid, in Jammu and Kashmir State, where militants are campaigning for secession, government sources said.

A cache of weapons found in his hideout contained 21 assault rifles, 230 grenades, 7,000 rounds of ammunition, and explosives, the sources said.

## CHECK: *Soviet Payroll*

(Continued from page 1)

money, and we could have no control over how they use it."

The Soviet Union still has 360,000 troops and their families stationed in East Germany.

Before Sunday's economic union, Soviet soldiers serving in East Germany received a monthly allowance of from 15 to 25 East German marks ($9 to $15).

On Friday, East Germany and Moscow agreed on a special rate for Soviet troops to exchange savings into Deutsche marks under East Germany's economic union with the West.

"Both sides are very satisfied," a spokesman in the East German prime minister's office said after signing the deal with the Soviet Union.

Moscow gets 1.25 billion DM, ($750 million) for its troops and East Germany has rubles to spend on oil and other Soviet commodities.

Following the economic merger, the Deutsche marks are effectively coming from the West German taxpayer.

The Soviet troops based in East Germany were long the Warsaw Pact's elite front-line force. But with the internal German border now defunct and capitalism emerging in the East, Soviet soldiers are becoming increasingly anomalous.

### ■ Soviets Repaying Japan

Soviet firms have started to repay overdue debts to Japanese creditors that have spiraled over the last seven months, Reuters reported Japanese traders as saying in Tokyo.

## PLO: *Offer From Bush*

(Continued from page 1)

PLO cannot afford a cutoff of its only avenue of communication with the United States.

Instead, the Egyptians are telling Mr. Arafat, he should be positioning the PLO to exploit the tensions looming in U.S.-Israeli relations because of resistance in Israel by the rightist government of Prime Minister Yitzhak Shamir to U.S. ideas about peace talks.

Mr. Bush suspended the 18-month dialogue on June 20 after the United States waited three weeks for the PLO to take action against Mr. Abbas after the Israelis intercepted two speedboats carrying armed Palestinians apparently seeking to attack Israeli civilians on the beach.

Mr. Arafat did not specifically condemn the attack and said that he lacked the power to expel Mr. Abbas from the Executive Committee.

Secretary of State James A. Baker 3d, while acquiescing in Mr. Bush's decision to cut off the talks, warned that it would almost certainly set back the peace process.

## *Hungary Bemoans The Soviet Legacy*

By Celestine Bohlen
*New York Times Service*

BUDAPEST — As they pull out of Hungary, Soviet troops are leaving behind a legacy that to Hungarians somehow befits the 45-year occupation — rows of grubby, rundown barracks, shoddy apartment buildings, fields of unexploded artillery shells, oil and other waste dumped directly in the ground.

To add insult to injury, the Soviet Army is asking the Hungarians to foot the bill for what is being termed "Soviet investment" in Hungary.

One sum mentioned is 50 billion forints — a figure roughly equivalent to $800 million at the official exchange rate.

Hungarians express incredulity at what they see as the latest, and parting, example of Soviet hubris.

"I did not hear that in Afghanistan, they asked the government to pay for the buildings they left behind there," said Hungary's deputy chief of staff, Major General Antal Annus, who is overseeing the Soviet withdrawal.

The Hungarians have made it clear that they will not settle for the Soviet accounting.

Indeed, they are prepared to hand Moscow their own bill — for the mass evacuation of hundreds of thousands of Hungarian citizens to Siberia after World War II, and the devastating human and physical losses suffered in 1956 when the Soviet Army moved in crush the Hungarian uprising.

"At the time, the damage to Budapest alone was calculated at several billion forints," General Annus said, "and they have never recognized any of this. We do not want to dig into history, but these are not made-up concerns. The minimum they could do is apologize."

An estimated 15,000 Soviet soldiers and their dependents have so far left Hungary, taking about 60,000 of the 560,000 tons of equipment they had stored here. About 40,000 remain.

So far, the withdrawals have gone according to the schedule, agreed to in March, which calls for the last Soviet soldier to leave the country in mid-1991.

But the commander of Soviet troops in Hungary, Colonel General Matvei Burlakov, said in an interview with the Soviet newspaper Izvestia that the troop withdrawals may be held up if the Hungarians refuse to pay for military installations as they are vacated.

He said that unless this was done, the Soviets would leave behind enough soldiers to guard the empty buildings.

General Burlakov's threat was greeted with outrage in Budapest, raising concerns about an unraveling of the carefully orchestrated agreement over a Soviet pullout.

"It is impossible to evaluate each building separately," Defense Minister Lajos Fur said in an interview in Nepszabadsag, a Hungarian daily.

"The Soviets should not be afraid that the Hungarians in the end will not pay what they owe," he added. "Burlakov thinks military pressure is the only way to accomplish anything. This is his logic, and we cannot accept it."

Until the Burlakov interview, many political analysts were convinced that negotiations over real estate would end with a settlement that resulted in a financial wash for either side.

Hungary's new government has declared its intention to withdraw from the Warsaw Pact by the end of 1991, but in the meantime, it has stressed that it wants to maintain good relations with its giant neighbor, on which it still depends heavily for energy and other raw materials.

One outcome of the prolonged, public dispute may be the extraction of something approaching a *mea culpa* from Moscow for 1956, similar to the apology given to Czechoslovakia late last year for the Soviet-led invasion of 1968.

"It would be a nice gesture if the Soviet Union, as a big world power, apologized in a big way and not in the small way they are doing now," General Annus said.

The Hungarian government has insisted that the Soviet demands for compensation cannot be evaluated until mid-1991.

At that point, the Hungarians will take inventory of the estimated 5,750 buildings left on the Soviets' 60 army camps and six air bases.

Based on what has been turned over so far, the Soviets' bequest is not very appealing, General Annus said.

# HEALTH / SCIENCE

Patricia J. Wynne/The New York Times

*Rattus norvegicus, the brown rat: Secretive and prolific.*

## Rats: Unloved but Enduring

By Jane E. Brody
*New York Times Service*

AS expressions like dirty rat, rat's nest, rat race and smell a rat suggest, the rat may be people's least favorite creature. But the few scientists who are studying it express nothing but admiration for the rat's instincts, ingenuity and tenacity.

The rat, new research is showing, may be humanity's most formidable foe, a secretive, prolific and opportunistic creature quick to sense and avoid danger.

Scientists say these traits have enabled rats to thrive despite the most concerted efforts to eradicate them.

"They are genuine survivors," said James E. Childs of Johns Hopkins Medical Center, who skulks around garbage-strewn alleys of Baltimore to study them.

Dr. Childs, a specialist in infectious diseases carried by rodents, is known on the streets of Baltimore as Ratman and the old Toyota Land Cruiser he long used was dubbed Ratmobile. With the aid of various colleagues since 1983, Dr. Childs has trapped more than a thousand rats in Baltimore to study how they live and reproduce and the diseases they harbor.

Some of his work gives those who loathe rats new cause for concern. He has discovered that two-thirds of the rats captured in Baltimore had been infected with a *hantavirus*, a virus that causes hemorrhagic fever, a serious and sometimes fatal disease in many Asian countries. The virus can also cause chronic kidney disease and possibly kidney failure in humans.

In cooperation with other researchers, he showed high rates of infection among rats in other cities as well.

Dr. Childs also found antibody evidence of the infection in people who have never traveled outside this country. In the latest studies, to be published in the Archives of Virology, Dr. James W. LeDuc, an infectious disease specialist with the U.S. Army, working with Dr. Childs, Gregory Glass and Alan J. Watson of Johns Hopkins, linked hantavirus infection to chronic kidney disease and hypertension in Baltimore residents who acquired the virus in the United States.

Dr. Childs believes that people infected with the virus, which can be spread through airborne droplets as well as in body wastes, should be monitored for possible long-term effects, especially since urban Americans are widely exposed to rats and their excretions.

He is hardly the only scientist to frequent unsavory sites to examine this wily rodent. Richard Lore, a psychologist at Douglass College of Rutgers University, and his colleagues have dug around municipal garbage dumps for years to analyze the construction and contents of rat burrows, which can house hundreds of rats.

Dr. Lore has since moved his research into the laboratory, where wild and domestic rats are given an opportunity to construct burrows in elevated cribs that greatly simplify scientific observations. He is studying factors that cause aggressive acts among rats, whose social behavior is said to closely parallel human interactions.

THE rat that these and most other scientists study is the Norway, or brown, rat, Rattus norvegicus, a misnomer since the species was well-established in England long before it reached Norway.

According to Robert Hendrickson, the author of "More Cunning Than Man: A Social History of Rats and Men," among the many aliases of the species are wander rat, house rat, earth rat, alley rat, water rat, barn rat, sewer rat, dump rat, river rat and wharf rat.

Wild Norway rats, blunt-nosed and thick-bodied, can wriggle into holes just less than an inch and a half wide. Their appetites are large and varied, ranging from table scraps and stored foods to cloth and shoe leather.

Still, "They are picky eaters," Dr. Lore said. "They won't eat spoiled food. Since they can't vomit, they have no way to get rid of food that is making them ill."

This fact is often cited as the reason it is so difficult to kill rats with poisoned bait. After one taste of tainted food, the rats become bait-shy, and if any rats in a colony get sick after eating something, the entire colony will avoid that food.

Dr. Childs and his colleagues, Dr. Glass and George W. Korch, show that urban rats living in residential areas grow faster and bigger and fight more than rats that live in parks and rural areas.

"Urban rats eat people food, which is high in calories and plentiful year-round," he explained. "Urban rats are bigger in the winter, when food keeps longer without spoiling. Park rats, on the other hand, are bigger in summer. They eat grasses and insects, which are abundant only in warm weather."

Bigger rats are also more prolific breeders. Dr. Childs found that 42 percent of the female rats he trapped were pregnant. And each fertile female can theoretically produce a litter, averaging 10 young, every 45 to 50 days.

However, the life expectancy of wild rats is brief, averaging three months; less than 10 percent survive a year. Causes of death range from human rat-control efforts to rat fights to outright cannibalism.

Marty Katz/The New York Times

*Dr. Gregory Glass, left, and Dr. James E. Childs retrieving adult Norway rats from baited traps in Baltimore.*

## HEALTH Q&A

## A Billion Suffering Iodine Lack

*I read recently that diseases related to iodine deficiency represent a global problem, yet we in developed nations hear so little about the problem. Please inform.*

Iodine is a trace element, essential for the production of thyroid hormones and generally found in the soil, except where it has been washed away by rains and glaciers. Iodine deficiency affects nearly a billion people worldwide. It is most prevalent in the mountainous regions of China, where 300 million people are affected; in India, with 200 million victims; in Africa, with 100 million; in Indonesia, with 100 million, and in Latin America, with 60 million, according to the World Health Organization.

The most visible manifestation of its deficiency is goiter, an often perceptible swelling of the throat. The real tragedy in this picture is that this preventable deficiency, if it occurs during pregnancy, results in spontaneous abortions, stillbirths and brain-damaged infants. Children are affected by mental and physical retardation, paralysis, and speech and hearing defects.

The solution to this global problem lies in the simple and inexpensive distribution of iodized salt. The World Health Organization has adopted as one of its top priorities the eradication of iodine deficiency by 2000.

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*As a frequently traveling physician, I am surprised at the paucity of medical emergencies at 11,000 meters. What are the most common in-flight medical problems, and how well prepared is the flight staff?*

Modern travel, though often surrounded by pleasant circumstances, can be stressful. Most of the physical and mental stress is in getting oneself and one's baggage to the plane on time. It follows that in the studies I reviewed, the majority of problems occurred in the airport rather than in flight.

In fact, according to data from the International Air Transport Association, in-flight deaths during commercial air travel are exceedingly rare among the hundreds of millions of passengers that the airlines of the world now transport every year.

In one study reviewed, the most frequent in-flight specific medical problems were (in order) cardiac (chest pain or suspected heart attack), gastrointestinal (severe nausea, vomiting and abdominal pain) and respiratory (shortness of breath and neurologic seizure, or loss of consciousness).

*This deficiency, if it occurs during pregnancy, results in spontaneous abortions, stillbirths and brain-damaged infants.*

Once an in-flight emergency occurs, the flight staff can opt for several courses of action: cope with the problem themselves, ask for help from medical professionals aboard or on the ground, or recommend to the pilot that an emergency landing be considered.

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*I am a board-certified family practice American doctor married to a Frenchwoman. As we are contemplating a move to France, I would like to know what medical practice in France involves.*

My first advice is to go here prior to moving for an extended period (with a round-trip ticket!) to investigate the professional landscape. Although the standards and priorities are roughly equivalent, public perceptions of the physician are markedly different.

You face two big problems: your American degrees and diplomas are not recognized, and there are already many highly trained French doctors out of work.

The second piece of advice is to read a book by Lynn Payer titled "*Medicine and Culture.*" In doing so you will get a flavor of the cultural subtleties as they bear upon the health professional.

Finally, if you are still undaunted and convinced, as I was, that Europe is the continent upon which you want to carve out your homestead, start by writing to the Conseil National de l'Ordre des Médecins in Paris for a paper chase rivaled only by internship.

*Michael McGannon, M.D., will answer questions every other Thursday. Please write to him at the International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly, France.*

## Hair Growth: Finding Real Root

By Natalie Angier
*New York Times Service*

IN a discovery that turns the prevailing wisdom about hair growth on its head, researchers have found that the source of new hair cells lies not at the very base of the hair, as scientists had long assumed, but further up the hair follicle, just below the scalp.

The finding has significant implications for the study of hair loss, hair regeneration and baldness. Researchers say that by understanding the origin and behavior of the parent cells of hair, they can better treat hair problems and loss.

Researchers from the University of Pennsylvania School of Medicine and the New York University Medical Center reported their work in the latest issue of the journal Cell.

"This is an exciting, beautiful piece of work," said Dr. Karen A. Holbrook, a professor and associate dean of dermatology at the University of Washington School of Medicine. "It gives us a whole new way of thinking about hair follicles. It's really going to change our dogma."

Scientists have long known that hair needs constant regeneration.

That requirement meant that somewhere beneath every hair, whether on the head or elsewhere, there must be a pool of immature cells, called stem cells, ready to proliferate and form a new shaft of hair. A hair is a connected strand of mature cells, of which those sticking out from the skin are already dead.

But identifying stem cells of any tissue type is extremely difficult. So until recently, scientists believed that the cells governing hair growth must lie within the hair bulb, the shiny nodule seen at the bottom of a hair when it is yanked out.

One reason for their conviction is that the bulb is perched atop another vital component of hair growth, called the dermal papilla, a tiny knob of connective tissue and blood vessels that releases hormones and chemical signals to promote hair renewal.

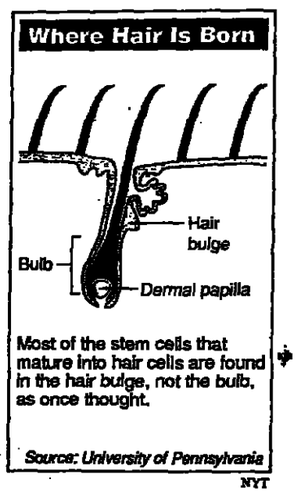
But in the latest experiments, researchers devised sophisticated techniques to discriminate between the stem cells and other cell types.

They found that the stem cells were situated at a region that is fractions of a millimeter above the bulb, a long distance on the scale of a hair follicle. The cells are sequestered in a structure on the side of the follicle known as the hair bulge.

The investigators also determined that hair growth was more complex than previously believed. To form a new hair, the dermal papilla releases a signal that beckons the stem cells in the bulge.

They then migrate toward the dermal papilla, arriving to chemically interact with it. This operation promotes cell division and maturation. Eventually the new hair is pushed up and out into the world.

In other words, said Dr. Robert M. Lavker, a professor of dermatology at University of Pennsylvania School of Medicine, hair does not just grow up; it grows down and then up.




Most of the stem cells that mature into hair cells are found in the hair bulge, not the bulb, as once thought.

*Source: University of Pennsylvania*

NYT

## In Africa, Promising AIDS Drug

By Lawrence K. Altman
*New York Times Service*

A NEW study in Africa by the World Health Organization has shown that a drug chewed as a wafer boosted the number of immune cells in a small number of AIDS patients whose immune cells had been damaged by the AIDS virus, an official of the international agency has announced.

But the study left open the broader question of whether small doses of the drug, alpha interferon A, can dramatically reverse the symptoms of acquired immune deficiency syndrome, the official, Dr. José Esparza, said in an interview.

Kenya's chief medical scientist, Dr. Davy K. Koech, had reported recently that the drug produced remarkable recoveries in a small number of AIDS patients. This led WHO to sponsor a small followup study in five countries.

In the only scientifically controlled part of that study, the drug increased the number of CD4 immune cells in 8 of 10 people, compared with a cell increase in only one of nine who chewed a placebo wafer, Dr. Esparza said.

The number of CD4 cells, the very type of white blood cell that the AIDS virus destroys, rose from 20 percent to 150 percent among the eight patients, said Dr. Esparza, who is chief of biomedical research for the Geneva-based organization.

The sharp rise in the CD4 counts "seems to suggest that the drug makes a difference," he said. But he added that the study was too small to give meaningful statistical results.

WHO plans to issue a statement shortly to clarify reports circulating in Africa that the new study confirmed Dr. Koech's findings, Dr. Esparza said. He added:

"We could not confirm or deny the clear-cut clinical improvement reported by Dr. Koech, chiefly because of the scientific design of the new study."

Dr. Esparza said health officials were looking to results of more scientifically rigorous studies of alpha interferon A in AIDS patients.

In reporting that small doses of the drug delivered in a novel way as a wafer could dramatically alleviate the symptoms of AIDS, Dr. Koech had also reported rapid improvement in restoring immune function through a large rise in the number of CD4 cells.

Dr. Koech used an oral alpha interferon made by Hayashibara Biochemical Laboratories of Okayama, Japan. The Kenyan scientist has called the drug Kemron.

Of concern to WHO are reports that Kemron labels have been affixed to bottles containing aspirin and other products, and sold at high prices in Africa. Another concern is that efforts to warn against the hazards of contracting AIDS from unsafe sex are suffering in Africa because "people are saying, 'Why bother if there is now a cure?' " Dr. Esparza said.

## GENERAL NEWS

## Taiwan Parties Agree to Open Presidential Race

*The Associated Press*

TAIPEI — The ruling Kuomintang, or Nationalist Party, and its opposition ended a historic meeting Wednesday by agreeing that the next president should be chosen by all Taiwanese instead of only aged Nationalists of mainland Chinese origin.

The weeklong conference ended with a joint statement in support of presidential elections and other democratic changes to replace a political system that has guaranteed Kuomintang rule for the past four decades.

"The democratic trend is irresistible," said Chang Chung-hung, secretary general of the opposition Democratic Progressive Party. "We have just had a peaceful revolution to gain democracy."

Less dramatic progress was made in discussions on relations with the rival government in Beijing. The conference urged there be more trade and cultural exchanges but cautioned against official talks on reunification until the Communist government in Beijing agreed to end its policy of seeking to isolate Taipei diplomatically.

President Lee Teng-hui said he would support the recommendations reached by the 140 politicians and academics at the conference.

"This is the time to act," Mr. Lee told the delegates.

Mr. Lee had called the meeting after student demonstrations in March against his election to a six-year term by an electoral college dominated by Kuomintang loyalists from mainland China.

Most members of the electoral college last ran in elections on the Chinese mainland shortly before they fled to Taiwan in 1949, defeated by the Communists in civil war. They were subsequently frozen in office to support the Kuomintang claim to still be the legitimate government of all China.

The opposition has long argued that popular presidential elections are necessary to give full political power to the native Taiwanese, who account for 85 percent of the island's 20 million people.

Many Kuomintang delegates to the convention proposed direct presidential elections after Mr. Lee's term ends in 1996, but some supported an even earlier date.

Delegates also supported an earlier Kuomintang proposal to retire by 1991 all 800 elderly members from mainland China who sit in the law-making Legislative Yuan and electoral college.

Officials said a task force of representatives from the major parties would be set up to settle remaining differences on the democratic changes.

One unresolved issue is whether the electoral college should be abolished, as proposed by the opposition, or should be transformed into a symbolic institution that would reflect the popular vote but still reserve a few seats for deputies purportedly representing mainland China.

Mr. Lee told the delegates that he would back their proposals. An opposition delegate, Hsu Hsin-liang, said Mr. Lee would have to keep his word even in the face of an expected backlash from the conservative Kuomintang old guard.

"He has issued a check to all Taiwanese and cannot afford to have it bounce," Mr. Hsu said.

Zubaikio Nogi/Agence France-Presse

**HOME COOKING — Alberto Fujimori, Peru's president-elect, enjoying a meal Wednesday in his ancestral hometown of Kawachi, 1,000 kilometers from Tokyo in southern Japan, from which his parents emigrated 56 years ago. Mr. Fujimori is in Japan seeking aid for Peru's economy.**

## *Tokyo Grants Beijing Aid Worth $16.6 Million*

*Agence France-Presse*

TOKYO — Japan has granted a $16.6 million aid package to China for three cultural and public works projects, the Foreign Ministry announced Wednesday.

Japan has maintained such aid grants for humanitarian projects in China despite Western sanctions adopted since Beijing crushed the student anti-government movement last year. The new package amounts to 2.5 billion yen.

But economic and financial aid, notably a third loan of 810 billion yen agreed to before Beijing's crackdown, remains suspended.

A U.S. congressman said in Hong Kong, meanwhile, that unless Beijing improved its human rights record, Congress might abolish the most-favored-nation trade status granted by the United States to China in 1980.

The Japanese aid will provide 1.5 billion yen for improving the water supply in the southern province of Guizhou and 981 million yen for a water purification project at Changchun in northeast China, the ministry said.

Cultural aid of 44 million yen has also been approved to promote the teaching of Japanese in China, the Xinhua press agency reported in Beijing. The Japanese Foreign Ministry said the grant would specifically provide more video equipment for China's Curriculum and Teaching Materials Research Institute.

The warning on China's trade status was by Representative Stephen J. Solarz, Democrat of New York, who arrived here Monday on a private visit.

Mr. Solarz said at a private luncheon Tuesday that most U.S. lawmakers would like to see China's trade status abolished when Congress reconvenes in late September, the Oriental Daily News reported.

But he said he doubted whether a two-thirds majority could be mustered to overrule President George Bush's decision in June to extend the status for another year.

Congress is clearly dissatisfied with the human rights climate in China, Mr. Solarz said, and if Beijing did not improve the situation over the next year Washington would be forced to withdraw the special status.

China, he said, should free more political prisoners, release the names and information about the well-being of those still incarcerated, and allow more freedom of speech, the Chinese-language paper reported.

Mr. Solarz added that the establishment of multiparty politics in China would be the best solution to the crisis of confidence in Hong Kong, which is to revert to Chinese sovereignty in 1997.

He urged Beijing to allow the people of Hong Kong to reject the Basic Law, the governing document for the future Hong Kong special administrative region that the Chinese parliament ratified in May.

A new Basic Law should provide for direct elections to Hong Kong's legislature before 1997, he said.

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ADVERTISING SECTION

# SOUTH KOREA

## DIVERSIFYING MARKETS

## Coming to Terms With Economic Adulthood

**South Korea's historic moves to normalize relations with the Soviet Union and China represent more than an applaudable diplomatic change of face. The moves underscore Korea's current bold, if somewhat painful, transition from the freewheeling hiatus of its trade-generated "economic miracle" to a more mature phase of economic and social development.**

Like its main economic rivals in Asia — Japan, Hong Kong, Taiwan and Singapore — Korea is having to come to terms with the aches and pains of economic adulthood. The tremendous trade boom of the past two decades catapulted this tiny peninsula and its 40 million people from war-torn obscurity to international fame as an Olympic Games venue and one of the world's top trading nations. This success has also prompted a high-level reassessment of just about everything: from the quality of its key export, automobiles, to its entire global trading strategy.

*The GNP increased by $117 billion in 32 years*

On the domestic front, rapid economic growth has brought the country face to face with the demands of a rising wage-cost spiral. This reflects persistent industrial unrest set against a backdrop of public pressure for full democratic reform of this previously authoritarian society.

While it is generally accepted that Korea's "miracle" days are over, the extent to which the government and business sectors are tackling the challenges is seen by most observers as the promise of a stronger, more globally oriented Korea to come.

Domestically, in only 40 years, Korea's boom has produced a largely middle-class, aspirational society that took two centuries to develop in the industrial West. The word "miracle" is less a manifestation than a measure of the speed with which this nation grew from one of the poorest to among the most powerful in Asia. In 1955, the country was an isolated Asian backwater with a gross national product of only $1.8 billion. By 1987, its GNP was $119 billion, and it had a $10 billion trade surplus with its key export market, the United States.

Another billowing $14.2 billion trade surplus with the United States had aroused such protectionist hostility in Congress that key policy moves were being activated — one to begin lowering import tariffs on a wide range of electronics, other manufactured goods and agricultural products, the other to explore new international markets to reduce export dependency on the United States.

A vociferous worker campaign for a bigger share of the country's export-generated wealth has triggered wage hikes averaging around 19 percent from 1987 to 1989, backed up by industrial action that saw Korean firms hit by more than 1,000 strikes in the first half of last year, costing $5 billion in lost production.

Korea's other industrial and trading advantage, the traditionally low value of the won, has also been shaved by a total 18 percent appreciation against the U.S. dollar since the end of 1987. This has not only cut its competitive edge on Japanese exports, but has also come at a time when new Asian economic "tigers" like Malaysia are pouring low-priced, good-quality electronic products onto the market.

For these and other reasons, GNP growth fell sharply to 6.5 percent last year — still remarkable by international standards, but not against the 12 percent growth recorded in the previous three years.

Trade has also slumped. Export volume showed its first drop last year after growth rates of 22 percent and 15 percent in 1987 and 1988. In the first five months of this year, Korea actually showed a trade deficit of more than $3 billion.

Sluggish trade has also helped create a social crisis. Companies diverted profits into domestic real estate speculation, pushing land prices and rents so high in Seoul and other major cities that, as President Roh Tae Woo warned in a recent national address, "rising house prices have dashed the hopes of many citizens to own their own homes."

Yet for all these problems and setbacks, Korea is still a star in the global economic firmament, projecting GNP growth of 6.9 percent this year against an average 3 percent in the West.

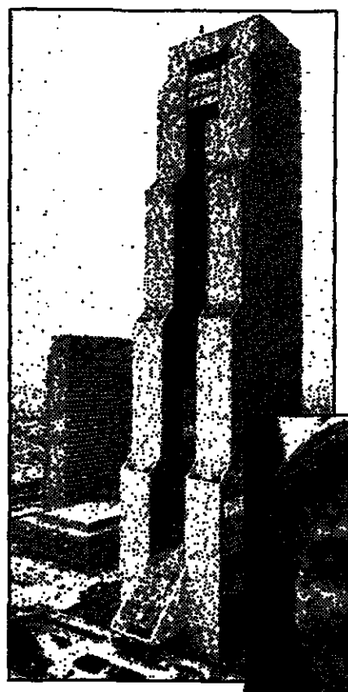
To ease the debilitating housing and property crisis and halt land speculation, the nation's 10 top business conglomerates have agreed to sell off millions of dollars worth of real estate that they have been keeping under wraps. Other companies have been warned they will no longer get bank loans based on the collateral of undeveloped real estate — a move that should release $18.7 billion worth of land for homebuilding.

This strategy is also aimed at persuading companies to pull out of property speculation and reinvest in new manufacturing capacity, considered crucial to the bid to revive export power. One Seoul industrialist has defined the problem: "Many firms feel they are in a rut and choose the easy way out by investing in the stock market or speculating in real estate."

Says Oh Jung-nam, a director of the Economic Planning Board's monitoring and research division: "What would you do if you had 100 million won [US $142,000]? The last place you'd put it in is a factory or research and development. That's why we're facing a crisis."

The campaign to revive industry began in April, after President Roh reshuffled his cabinet and ordered his top economic advisers to come up with an emergency package, telling them that "the most urgent task is to revive investment sentiments

*Continued on Page 8*



*The 55-story Trade Tower in the World Trade Center, Seoul.*

T. Haley/SIPA

*Are South Korea's improved relations with the U.S.S.R., as witnessed in early June when President Roh (left) met with President Gorbachev, a precursor to improved relations with North Korea? Made-in-Korea products marketed in Moscow (right).*

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ADVERTISING SECTION

# Offshore Trend Follows Free Flow of Capital

**Rising salary bills and accompanying inflation, along with industrial unrest and a seemingly fruitless bid to match or undercut the depreciation of the Japanese yen, has forced a host of Korean businesses to go offshore in search of cheaper manufacturing locations.**

A superficial look at South Korean industrial investment around the world gives the impression of a scatter-gun approach — a steel plant in Malaysia, a television and VCR joint venture in Frankfurt, a hotel partnership in Moscow, a footwear factory in Indonesia and computer electronics in the United States.

But each of these ventures represents the overall strategy of a newly developed economic and trading power beset with complex problems and challenges at home and abroad.

*Foreign investment: $2.07 billion this year*

Last year, more than 100 Korean firms moved their plants to the developing, cheap-labor economies of Indonesia, Thailand, Malaysia and the Philippines. Another 150 firms announced plans to follow suit. "Korean companies have been sheltering," says Jin Gyung-hwa, an official of the Ministry of Finance. "It is a trend that will continue."

The trend was triggered last year when the Trade and Industry Ministry lifted restrictions on capital outflow from Korea, raising to $5 million the amount that individual manufacturers could invest abroad without prior government approval. The Import-Export Bank also boosted to $102 million a special loan scheme aimed at encouraging selected companies to move their manufacturing operations offshore in order to "remain competitive." The result has been a doubling of Korea's total foreign investment from $1.1 billion at the end of 1988 to $2.07 billion at the beginning of this year.

More than half this money is now being channeled into Southest Asia, into small- and medium-sized garment, footwear, toy, furniture, electronics, pharmaceuticals and automotive parts factories. Thailand has been an investment favorite because of its political stability and rapid industrialization, attracting nearly 80 Korean firms, most of them in electronics. In Indonesia, the attraction has been industrial stability and cheap labor. With an enormous pool of 13 million people entering the relatively sparse Indonesian job market in the next five years, the average salary there is currently $50 to $60 a month compared with around $350 a month in Korea.

Among the bigger industrial projects, Pohang Iron and Steel Co. plans to set up a $512 million cold-roll steel sheet plant with a one million ton annual capacity in Malaysia's Johore state.

With the Southeast Asian countries expected to provide the region's second wave of Newly Industrialized Countries (NICs), the growth of their consumer markets is expected to draw more Korean investment away from its traditional target, the United States. Since 1968, some 43 percent of total overseas investment has been placed in the United States. There are two prime reasons: high-tech partnerships to provide technology transfer and local production bases to counter rising protectionist sentiment.

The same strategy has ruled Korean investment in Western Europe, though the amount of money placed there so far (a mere 4 percent of total global spending) has been relatively small. However, Goldstar has set up a factory near Frankfurt producing 100,000 color televisions and 150,000 VCRs per year — in a market where salaries are three to four times higher than those back home.

Samsung Electronics has opened a TV manufacturing plant outside Lisbon and a microwave oven factory in Britain. Daewoo is producing microwave ovens at a plant at Longwy in eastern France. Why? To gain footholds in a series of markets that have become increasingly hostile to Korean imports in the past that are thought likely to become even more so when the European Community unifies in 1992.

"The positive aspect is that [unified] Europe will have more buying power due to economies of scale," says a Trade Ministry official. "The downside is that with the likely mergers and acquisitions of European companies, our firms are going to have to fight real dinosaurs."

In this respect, political barriers in Eastern Europe and the Soviet Union have collapsed in the nick of time for Korean trade and offshore investment. Derelict industrial bases and low-cost labor markets in Eastern Europe are already viewed as ideal sites for offshore manufacturing, and an investment drive has already begun.

Among Samsung's 10 overseas electronics operations, one is located in Hungary. The Daewoo group is also examining joint-venture hotel and automobile enterprises in that country. Samsung has also spearheaded investment in the Soviet Union by buying a 51 percent, $5 million stake in Moscow's 20-story Sports Hotel.

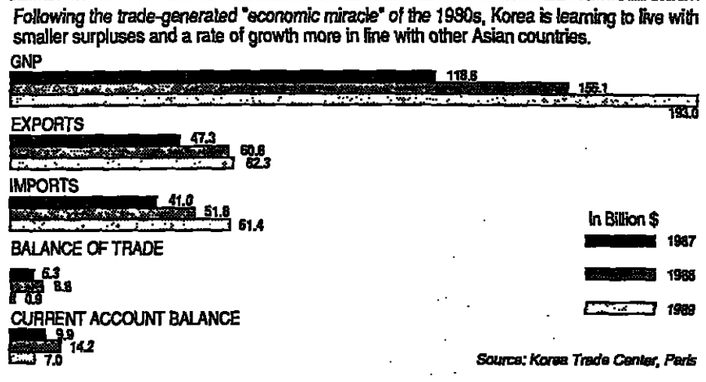
Ssangyong, whose activities range from oil refining, paper production and motor manufacturing to the leisure and finance industries, is looking into the future market of joint ventures in Eastern Europe.

This thrust into Eastern Europe is not without risks and pitfalls. The Finance Ministry's Jin Gyung-hwa cites poor infrastructure, shortages of raw materials, difficulties in remitting profits and obvious cultural differences as good reasons for Korean firms to tread warily.

But the potential for future trading growth outweighs all other considerations. As Chung Ju-yung, founder and honorary chairman of the huge Hyundai group, sees it, "The Soviet Union has the potential to satisfy our needs."

**ECONOMY IN TRANSITION**

*Following the trade-generated "economic miracle" of the 1980s, Korea is learning to live with smaller surpluses and a rate of growth more in line with other Asian countries.*




Source: Korea Trade Center, Paris

# Business Briefs

● The **Hyundai** group has moved swiftly to spearhead a Korean trade drive with the Soviet Union, clinching a deal in which the USSR will supply about 25 percent of the republic's timber imports. Starting in October, the conglomerate plans to import about $50 million worth of logs this year, and expects to increase this to about $220 million worth next year. Timber imports, which are important to Korea's domestic and export furniture industry, currently come from the United States, Canada, Malaysia, New Zealand and Chile. According to Hyundai's founder, Chung Ju-young, Korea is also talking with the Soviets about the possible construction of a natural gas pipeline linking Soviet East Asia with Seoul through North Korea.

● The Soviet Union's huge orders for new shipping has helped South Korea's shipbuilding industry pull out of a trough in which it has been wallowing since the mid-1980s. According to the **Korea Shipbuilding Association**, its yards received orders for 67 vessels totaling 4.37 million gross tons in the first five months of this year — a threefold increase over the same period last year and enough business to keep the yards humming beyond the end of 1992. They have a backlog of orders totaling a record 9.32 million tons. Analysts attribute the new shine on the industry's prospects to an upturn in world demand for new ships (60 percent of the global tanker fleet will need to be replaced in the next five to 10 years) and a substantial slowing down of wage demands and industrial disputes.

● Korea's **electronics** production, competing with high-tech rivals Japan, Taiwan and Singapore, has developed in 20 years from cheap transistor radios, assembled from imported components, to the nation's number one industry. Last year, it led local and export sales for the third year running, with production up by 25.5 percent to $3.9 billion, local sales of electronic appliances up by 47.3 percent to $13.46 billion and exports at $17.5 billion, an increase of more than 20 percent. Production of industrial electronics, such as computers and telecommunications equipment, has risen from 13 percent of total industrial output in 1980 to 19.4 percent last year — an average annual increase in market percentage of 23 percent.

● While **Korean Air** has announced a huge $5 million investment in new routes and long-haul Boeing 747-400 aircraft, the nation's second private carrier, **Asiana Airlines** has launched its own more modest expansion. The tiny rival has boosted its domestic routes from six to eight, with 36 flights a day to key provincial destinations. It also plans to target the huge Japan travel market with services to Tokyo, Nagoya, Fukuoka and Sendai. Beyond that, Asiana is looking at extending into gateway cities in Southeast Asia, North America and Europe.

# Economic Adulthood

*Continued from Page 7*

in manufacturing and to bolster exports." The measures include a $1.4 billion government allocation that has boosted to $2.8 billion a fund for long-term low-interest loans to stimulate export industries.

On another front, the Trade Ministry and private companies have been pouring millions of dollars into research institutes and universities to lay the base for an upgrading of Korean industry to high-tech value-added electronic, aerospace and advanced computer and semiconductor production. Again, it is considered a vital move: Korea now has to compete with similar high-tech ambitions by rival Singapore and Taiwan.

Elsewhere, there are heartening signs of recovery in two areas, inflation and industrial strife, which have dampened foreign investment in Korea and opportunities for technology transfer. Inflation reached 6.7 percent in the first five months of this year, and is expected to hold at around 7.5 percent by the end of this year (compared with a projected 10 percent in Hong Kong). Wage increases have dropped to an average 8 percent. Despite the recent dramatic strike action at Hyundai's Ulsan factory, the government has noted that industrial disputes have fallen to less than 70 incidents so far this year, compared with the plague of 1989. Meanwhile, a pledge has also been made to stabilize the currency exchange rate, depreciating the won to give exporters some hope of competing with the weakening Japanese yen.

But the most exciting prospects for future Korean economic power lie in its ambitious campaign for internationalization and new export markets. Trade relations with the United States have eased as the surplus dropped 25 percent to $4.2 billion in January to September last year. On the other hand, the country's move for market diversification has led to some astonishing diplomatic fence-mending with Moscow and Beijing. And with good reason. Korea's shipyards are currently booming with Soviet orders for 40 new ships and more than 70 repair projects worth a total of almost $2 billion. Direct trade with the Soviet Union has already spiraled from $600 million to $1 billion in the past year, and Korea sees Mikhail Gorbachev's modernization program as a lucrative market for its electronics.

As for China, more than 300 Korean firms, led by giants like Hyundai and Lucky Goldstar, are positioned in Hong Kong and getting ready to move into offshore investment and trade in China the moment full diplomatic ties are established. The first concrete move could come after the Asian Games in Beijing in September, with an agreement to exchange official trade offices.

From there, Korea's transition from economic upstart to global player can take another new direction. Amid calls for a summit to discuss peaceful reunification, Deputy Prime Minister Cho Soon has announced plans to establish a special fund this year to prepare for "full-scale economic ties" with North Korea.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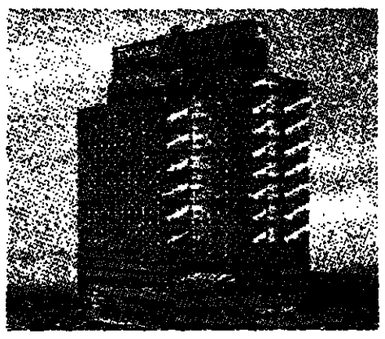

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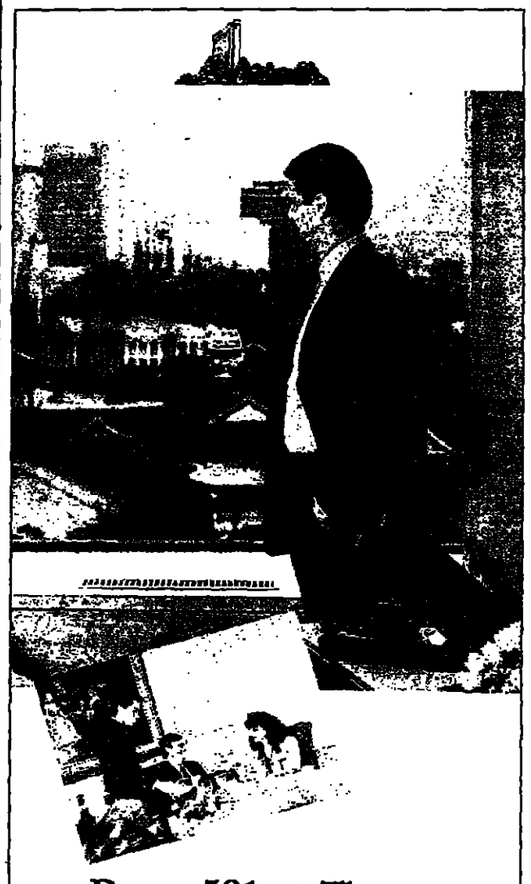

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# Investment Drive Spreads Beyond Hong Kong

**Some 4,000 Koreans and 150 registered Korean firms are based in Hong Kong. Last year, trade between Korea and Hong Kong totaled US$5.1 billion, making the tiny colonial enclave Seoul's sixth largest trading partner.**

Lucky Goldstar International, one of Korea's biggest corporations, operates a regional headquarters in Hong Kong, staffed by 40 Koreans and 70 locals, which supervises trading and financial arrangements with Taiwan, China, Manila, Australia and New Zealand.

The electronics and automobile giant Daewoo has also based its regional office in the British-administered territory. And Hyundai Sangsa, the world's biggest shipbuilder, is expected to boost its local headquarter's staff to 50 by the end of this year. They administer trade and financial operations in Indonesia, Thailand, Vietnam and Burma.

*Last year's investment in Hong Kong: $25.2 million*

Korean investment in Hong Kong burgeoned last year to a total of $25.2 million. But while Hong Kong is a prime target of Korea's new trade and investment drive, an infinitely greater potential lies across the border in mainland China. And despite the hesitancy and caution that has marked the recent shift by Seoul and Beijing toward economic and diplomatic ties — especially since the June 4 crackdown in Beijing last year — Hong Kong, in the words of Lucky Goldstar's regional president, Chun Jinhwan, is "the nerve center for China."

Says Hyundai's Hong Kong managing director, Lee Kyung-jae: "We think the China market has a very high potential for our group." He points to an estimated $96 million worth of industrial machinery and manufacturing materials that it has so far sold to China through Hong Kong. Hyundai is also looking into joint-venture enterprises in Guangzhou and the Chinese east coast province, Shandong.

With Korea becoming an increasingly important trade partner with China, chalking up $3.2 billion in business between them last year, Beijing has earmarked Shandong province, which faces Korea across the Yellow Sea, as Seoul's own potential area for trade and export-oriented industrial investment. The question of Seoul's direct links with Taiwan and Beijing's support for communist North Korea is dragging the chains of diplomacy. But current Taiwanese flexibility in its own relations with the mainland, along with increasingly serious overtures between Seoul and Pyongyang on North-South reunification, have been encouraging enough for President Roh Tae Woo to predict that ties with Beijing will soon be normalized.

China and its vast trading potential, however, is only one of several prime international targets in an ambitious trade diversification campaign that Korea has undertaken in the face of the threat of protectionism in the United States and Europe. The immediate target has been Southeast Asia, with exports to the six-nation ASEAN bloc (Singapore, Thailand, Malaysia, Indonesia, Philippines and Brunei) jumping 31.4 percent. Exports were worth more than $1 billion in the first quarter of this year, generating a $19 million surplus.

Mr. Roh's historic meeting with Mikhail Gorbachev in San Francisco in early June paved the way for diplomatic links and a trade partnership with Moscow that could hasten the pace of courtship with China.

The new East European market is a timely breakthrough: a combination of trade resistance in Korea's traditional Western markets, industrial trouble at home and worldwide competition from cheaper, low-yen Japanese products cut the republic's export growth to 2.7 percent, or $62 billion, last year.

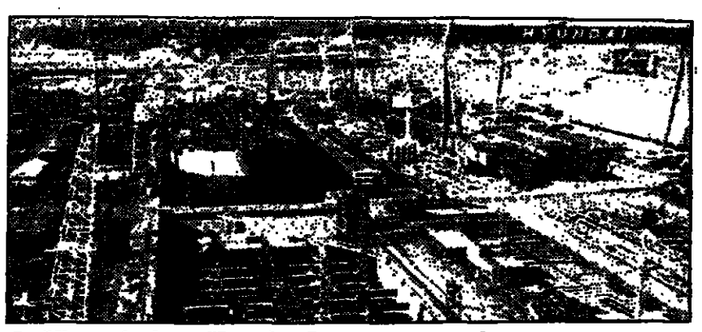
As it is, Korea's total trade with the Soviet Union and Eastern Europe was worth $4.2 billion last year, and economists expect it to double in the next two to three years. According to Koo Pyong-hwoe, chairman of the major conglomerate Lucky Limited, "Trade with the communist nations is still profitable," and this despite a number of risks and problems, not the least being the lack of foreign exchange and demand for barter trade.

Hyundai Motor Co. has reached an agreement with Yugoslavia, for example, for 1,000 sub-compacts and plans to sell another 5,000 cars to other East European nations this year in a barter deal for chemicals and other raw materials.

One of the main reasons for the export fallback has been a drop in production quality and the fact that no new models or technological gimmicks have been introduced in the past three years. And this, in turn, reflects the essential message that the government is putting out in its bid to get Korean industry back in the fast lane: it cannot hope to compete in the world markets while it invests only 3 percent of its turnover in technological research and development, compared with the 5 percent invested by the Japanese.

With the immense new trading opportunities now available to Korean companies, the message is getting through. Among the corporate giants that are changing their production strategy, the domestic market leader Samsung has announced that it will increase its expenditure on R&D from 6.3 percent to between 7 and 8 percent on its estimated $5 billion sales this year.

*With short-term speculative investment contributing to the wage-price spiral, the government is promoting investment in more strategic enterprises. Here, the closing session on the last day of the stock exchange in 1989.*



*In Ulsan, the huge Hyundai Corporation complex.*

# Banking and Finance: The Easy Business Has Gone

**Drawn by the huge reserves that the trading boom of the late 1970s and 1980s generated, more than 60 foreign banking and financial groups have branches in Korea. The current account surplus alone in 1988 was $12 billion. But, in concert with the rest of the Korean economy, the boom days are over and a new era of caution has set in.**

"The easy business has gone," says one regional banking analyst. "Banks in Korea are now positioning for a more mature market."

A lot of them are also licking their wounds after suffering more than any other sector of the economy from the inflationary wage spiral of the past three years. Their international profiles placed them in the front line of labor union pressure, and a particularly organized and active union campaign resulted in some of them paying salary hikes of up to 150 percent.

*Stock market now in consolidation phase*

Some foreign banks pulled out of Korea; others have remained and have pushed for a liberalization of the financial market that would allow them to operate as freely as their Korean competitors. They have managed to gain a measure of equal treatment: They can open deposit-taking branches alongside local banks, for example, but that has meant taking on some less desirable responsibilities. For instance, they now come under the same rules that force local banks to allocate at least 35 percent of their loan portfolios to small and medium businesses — a risk area into which most multinational banking groups would rather not tread.

On top of this, a government clampdown on a "swap deposit" system that reduced foreign exchange risks, along with substantially reduced loan opportunities as Korea has moved from being a debtor to a net creditor nation, has turned the financial marketplace into an increasingly competitive environment.

"Profitability has been shrinking away," says one Seoul banker. "Any foreign firm interested in locating here is going in looking five years down the road from now."

As grim as all this may sound, there are those analysts who would agree that the reckoning has been a long time coming for the entire financial market in Korea. Fueled by the same huge trading revenues, the stock market has been wild for three years, chalking up a 10-fold increase in capitalization to around $100 billion — outpacing even Hong Kong's market.

In terms of risk-free cash generation, the stock market has earned the reputation of being virtually a license to print money.

The market is moving sideways "in a consolidation phase," says a Seoul securities executive.

Meanwhile, the government is trying to mobilize funds away from short-term speculative investment, such as property, and into more strategic enterprises, particularly advanced technology, that will boost economic growth. Its move to force the huge undeveloped corporate land reserves onto the market for home building should dampen real estate speculation.

As for the banks, there is one cause for optimism in what is otherwise a time of transition and caution in Korean economic and financial affairs — a booming consumer market.

In automobiles alone, Korea's key manufacturers expect that the fallback in exports in the next several years will be canceled out by rising domestic demand. This demand represents a 46 percent increase last year, another 36 percent hike in the first quarter of this year and a projected 30 percent growth annually in the next few years.

Foreign institutions are closely watching the performance of the major Korean banks in established financial centers like Hong Kong, where the Bank of Seoul, Korea Exchange Bank, Bank of Korea and six other financial institutions are overseeing some $25.2 million worth of Korean investment in the territory. According to the Bank of Korea's Song Byung-ik, the banks are also "learning advanced banking techniques for the internationalization of the Korean banking sector."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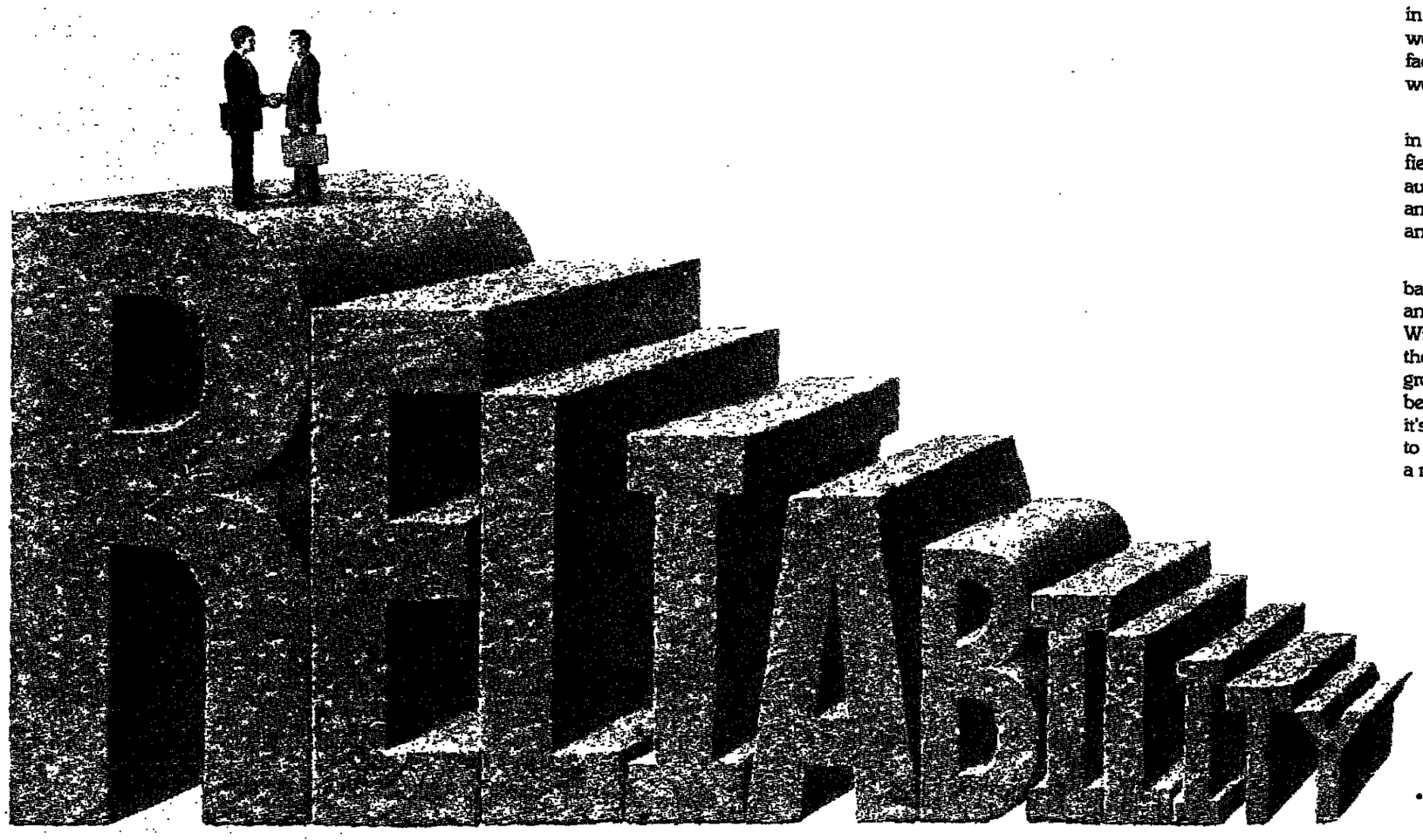


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# Olympic Springboard to The Future of Tourism

**Since the Seoul Olympics, foreign tourism in Korea has shown increases that have surprised analysts who predicted a drop-off after the blaze of Olympic publicity. Last year, the number of foreign visitors increased 17 percent to a record 2.7 million, and the volume is expected to grow an average of 8 percent a year to reach 6.1 million by the turn of the century.**

In 1968, when Korea was the "Hermit Kingdom," still associated with the ravages of war, just over 100,000 foreign tourists visited the country and spent a mere $35 million.

Just as remarkable as the tourism development program aimed at catering to 10 million inbound and outbound travelers a year by the middle of this decade.

*Traditional harvesttime Farmers' Dance.*

Twenty years later, when Seoul played host to the Olympic Games, 2.3 million foreigners poured in, not just for the Olympiad but also to view one of the world's most remarkable economic booms. They spent $3.3 billion, a 92-fold increase over the tourism revenue of 1968, and triggered an ambitious development program aimed at catering to 10 million inbound and outbound travelers a year by the middle of this decade.

Just as remarkable as the tourism influx is the sudden surge of Koreans traveling overseas for the first time. Freed from government-imposed age restrictions that have kept many of them home in the past, 1.4 million Koreans poured out after the final curbs were lifted in January last year. The numbers are expected to increase to 3.2 million in 1995 and 5.4 million by the year 2000.

*The Pópchusa Temple and Palsangjón Pavilion, Mt. Songnisan National Park.*

This tourism boom, which parallels the huge annual exodus of leisure and business travelers from Japan and Taiwan, is the target of most holiday destinations with sun and clean sand to sell. This outbound flood is growing at 13.8 percent a year, twice the world average.

At the same time, the Korean government and the Korea National Tourism Corporation (KNTC) are planning a massive expansion of Korea's tourism infrastructure.

Since the Olympics, 15 convention centers and 39 international-class hotels with 200 or more rooms and sophisticated conference facilities have been built throughout Korea. In Seoul, the giant World Trade Center, with its futuristic 55-story Trade Tower and 5,300-seat international convention hall, has added a multifunctional showplace to a convention infrastructure already outranking most other Asian gateway cities. Around this mammoth business center, other world-class convention facilities are provided by the Sejong Cultural Center (capacity 3,895), Seoul Hilton Convention Center (3,200), Sheraton Walker Hill Convention Center (3,200), *Hotel Lotte World* (2,000), *Hotel Shilla* (2,000), Seoul Hyatt Regency (1,200), Inter-Continental Seoul (1,900) and Ramada Renaissance (1,200).

The Seoul Plaza Hotel is well situated in the center of the city and has top quality facilities for the businessman.

The convention industry has also been decentralized and integrated into regional attractions beyond the capital. In Kyongju, the cradle of the Shilla empire, known as Korea's "museum without walls," four international-class hotels equipped with convention and exhibition facilities and a 36-hole championship golf course host around 40 conventions and more than 3.7 million visitors a year.

In Pusan, the 15-story Pusan Trade Center and new hotels such as the Westin Chosun, Pusan Hyatt Regency and Commodore Dynasty are providing first-rate incentive and convention services. They are near the popular beach resorts of Songdo and Haeundae. The Hallyo Waterway, a cluster of hundreds of islands and inlets, among the region's finest yachting and water sports playgrounds, are also nearby.

More than $600 million has been poured into new hotels and resort facilities on Korea's largest island, Cheju. Plans call for 16 hotels and inns, three shopping centers, a folk-village-cum-cultural-center and dozens of new bars and restaurants. This leisure and recreation environment includes beach life, water sports, game fishing, mountain climbing and pheasant shooting. One of this subtropical volcanic island's traditional industries and cultural attractions is the hardy women divers of the south coast who descend to depths of 18 meters (59 feet) or more to harvest seaweed, sea cucumbers and octopus.

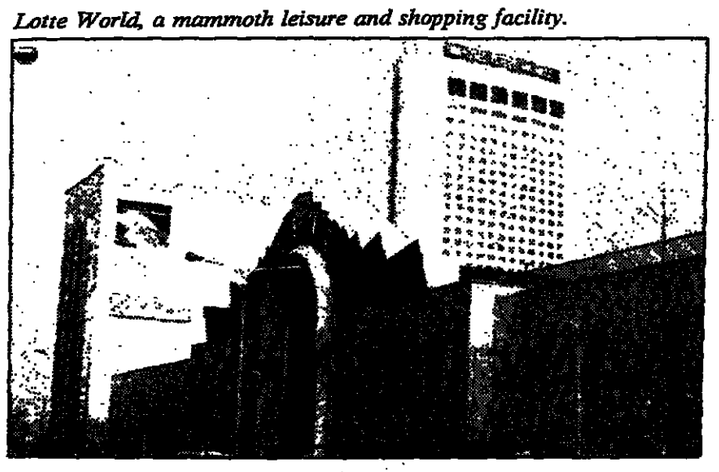
Running in tandem with the tourism development, the national airline Korean Air has embarked on a massive $1.5 billion expansion program. The airline's hard-driving chairman, Cho Choong-Hoon, aims "to achieve a perfect network of round-the-world air routes during the next decade, flying the nation's flag to 50 cities in 38 countries."

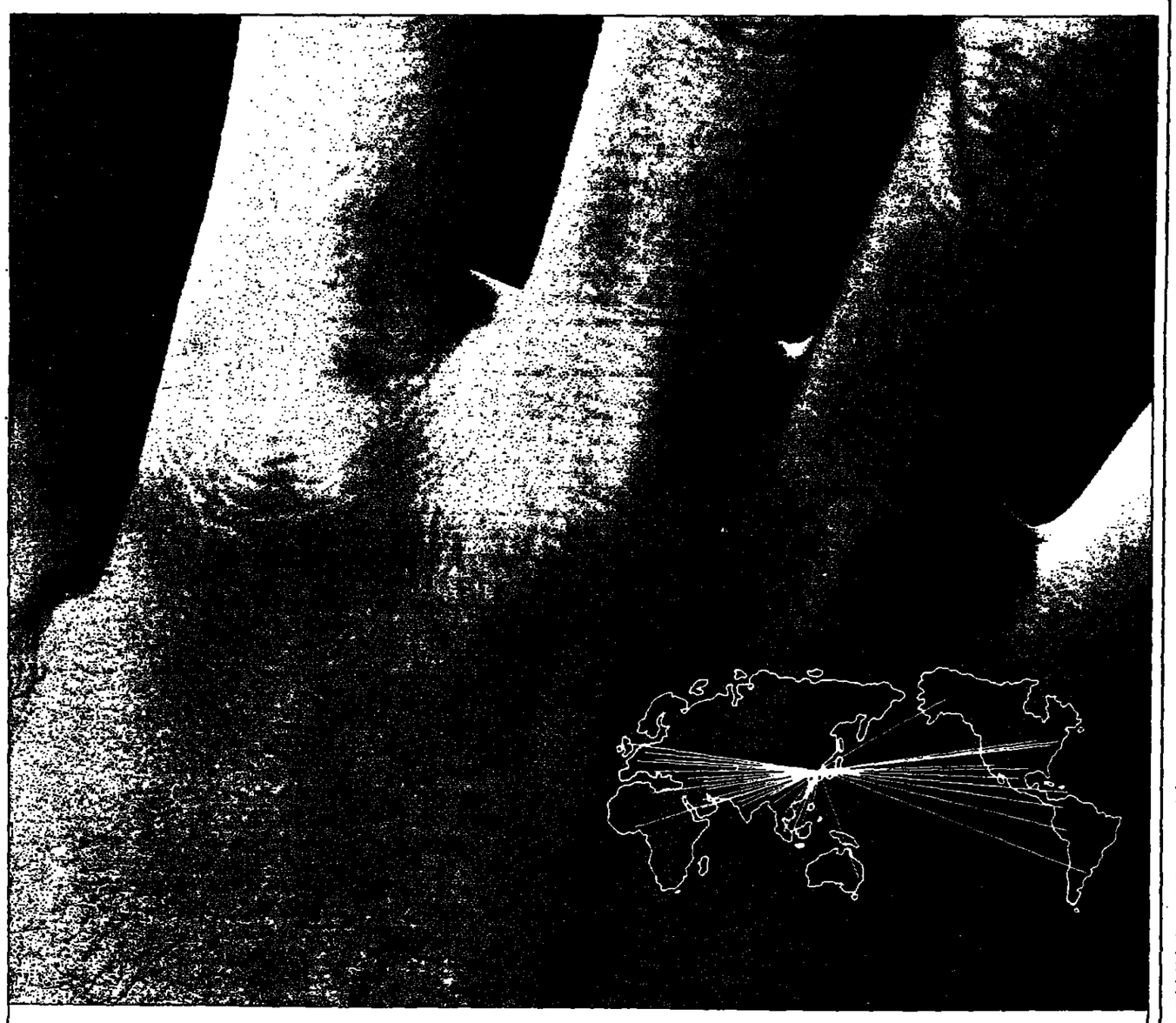
In 1969, when the Hanjin Group, a powerful transportation, banking and construction conglomerate, took over the airline, it had one jet and seven propeller-driven planes, a staff of 500 and a total passenger payload that year of 380,000. On its 20th anniversary last year, Korean Air had a fleet of 65 aircraft, including 20 Boeing 747s, flying regular services to 38 cities in 18 countries. Its staff had burgeoned to 12,200, its passenger payload on both domestic and international services increased to 9.9 million, and it earned $2.2 billion, compared with $6.8 million in 1969.

This year, the first of nine Boeing 747-400s went into service on an expanded route network of 21 new international destinations. When negotiations on key routes to Beijing, Shanghai and Moscow are finalized, the airline's global profile will be tied in with the nation's new export and investment markets.

Two additional events will boost the tourism industry: in 1994, Seoul plays host to the Pacific Asia Travel Association (PATA) conference, the region's most prestigious travel exposition, and launches the nation's most ambitious promotion since the Seoul Olympics — Visit Korea Year.

*Lotte World, a mammoth leisure and shopping facility.*





# Supertechnology Propels Nation Into 21st Century

**If Korea realizes the better part of its current political, social and economic potential, the nation's profile in the 21st century will be nothing short of astonishing.**

Korea may well have become the main engine of investment and economic development in the Northeast Asia region, covering northern China, Soviet Asia and the entire Korean peninsula. Not only will it be a major investor and trading partner in Eastern Europe in the 21st century, but the global aviation network currently being built through Korean Air's massive expansion will have reached the farthest edge of the Pacific Rim, providing lucrative new trade and investment opportunities in Latin America.

### *The third to make supercomputers*

With its manufacturing base located offshore and its economy no longer largely dependent on automobiles, shipbuilding and consumer electronics, Korea's industrial thrust will be focused on the supertechnology of computerization, robotics and avionics.

Officials and analysts in Seoul and Washington have agreed on a scenario in which South Korea provides the capital and technology not only for a reunified peninsula, with the communist North coming to terms with the South in a similar way as East Germany with West, but also for the development of northern China, Mongolia and Soviet Siberia and Asia.

Why Korea? Because of its strategic position on the edge of these vast markets, for one thing. Also, it is not preoccupied with historical diplomatic conflict, as its powerful rival Taiwan is with China. It is not in dispute with the Soviet Union, as Japan is in the current wrangle over island territories. Unlike Japan, Korea is not resented for wartime aggression in the region.

On the technological front, Korea, already sixth on the world table of electronics producers, has become the third nation after the United States and Japan to develop a supercomputer. The breakthrough was made after two years of research and development by the Korea Advanced Institute of Science and Technology (KAIST). The result: a computer with a memory capacity of more than 256 megabytes and a data-processing capability of up to 10 billion calculators per second, compared with five million for a large-scale present-generation model.

This development has revolutionized two key areas of Korean technology. It has prompted industry leaders Samsung, Goldstar and Hyundai Electronics and 120 other semiconductor manufacturers to pour about $3.6 billion into new research and plant infrastructure for the mass production of powerful 1M DRAM and 4M DRAM (dynamic random access memory) chips.

The supercomputer has also provided a powerful new impetus for Korea's developing aerospace programs, dominated by the giant Hanjin conglomerate through Korean Air's aerospace division. The division began manufacturing helicopters in 1976, and F-5EF fighter jets in 1981.

Two new tactical military helicopters are due to roll off the assembly lines next, along with what the division refers to as "another fighter project called F-X." Meanwhile, another Korean Air subsidiary, Korea Institute of Aeronautical Technology (KIAT), has developed a two-seater light experimental aircraft called Blue Sky 3. It is due to test fly a five-seater light transport by 1992 and has plans to produce Korea's first domestically developed commercial airliner. KIAT is researching what will undoubtedly be the ultimate symbol of Korean achievement — a "large space structure," which the company is planing to launch by the year 2000.

This advertising section was written by Derek Maitland, publisher and editor in chief of the Pacific Traveller.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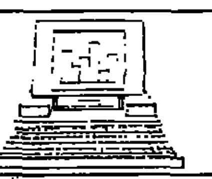
FROM MEDICAL CHECKS

Herald Tribune (INTERNATIONAL)

# BUSINESS / FINANCE

** THURSDAY, JULY 5, 1990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## INTERNATIONAL MANAGER

## For a Successful Meeting, The Secret Is Preparation

By Spencer Hsu
*Washington Post Service*

Everyone knows meetings are a waste of time. In fact, management experts say at least half the time executives spend talking, debating and setting up the next meeting is wasted. The frequency of unproductive meetings is "the Achilles' heel of our vaunted American businesses," said Roger Mosvick, a St. Paul, Minnesota, *management consultant* who has been watching executive behavior at meetings for 30 years. "We should cut our meeting time in half and improve decision making."

Mr. Mosvick is not alone in his views. Hardly anyone has a good word to say about meetings, though almost every business considers them a key element of success. Surveys of executives and workers come to the same conclusion: Meetings are one of the most time-consuming and least productive activities in the workplace.

**Meetings are estimated to cost U.S. business up to $37 billion a year.**

They are expensive, too, costing business up to $37 billion annually, primarily in wasted wages, said one expert on meetings.

Here's why. The typical meeting occurs with only two hours' notice and has no written agenda, or, if it has an agenda, the meeting often fails to cover it, according to a study done by the University of Southern California.

Furthermore, participants often believe their role in these meetings is limited. Of 903 managers at 36 companies who were asked about their last meeting, one-third said they had no impact on ultimate decision making. One-third felt pressure to back opinions they privately disagreed with.

Yet meetings matter in how decisions are made at most companies, and it is expected that there will be more meetings than ever in the 1990s as the economy increasingly centers on services and white-collar businesses.

"It is impossible to be regarded as a highly effective manager unless you run an effective meeting," said Walter A. Green, founder of Harrison Conference Services Inc., which hosts conferences at nine centers across the country.

ACCORDING TO RESEARCH done by his company and Hofstra University, Mr. Green found that four out of five managers evaluate each other based on how they participate in a meeting, and 87 percent judge leadership based on how a person runs a meeting.

To cut down on badly run meetings that make everyone feel inefficient and indecisive, some companies have turned to rather unorthodox solutions, said Gini Johnson, head of the 3M Meeting Management Institute in Austin.

For example, the chemical concern Hercules Inc. encourages clock watching. It has mounted big clocks at the back of every conference room to keep a check on endless deliberations.

But the key to boosting effectiveness, consultants say, lies in understanding why meetings fail. That done, take remedial steps. Finally, address personality problems that disrupt meetings.

Another key, consultants say, is to meet less. Executives spend up to 17 hours each week, or almost 40 percent of their working hours, in meetings, said Mr. Mosvick.

Why are all those hours frittered away? "It's getting off track, being unprepared, having no agenda and interruptions," he said.

Mr. Mosvick emphasizes the basics when dealing with meeting problems. Some suggestions for making meeting time productive:

- Sharply define who comes to meetings and give them an agenda two days in advance. Remember that many people do not know why they have been called to meet and are unprepared.
- If you direct a meeting, set the stage with a brief orientation speech. It helps focus attention and frame discussion.
- Incorporate dissent into the meeting structure. The worst business decisions would never be made if someone had had the courage to disagree, he said.
- Let someone other than the boss run the meeting so the boss can stay cool and evaluate things as they happen. This also promotes discussion.

## CURRENCY RATES

### Cross Rates

July 4

| | $ | £ | D.M. | F.F. | Lira | D.Fl | B.F. | S.F. | Yen | C$ | Peseta |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 1.853 | 3.311 | 1.1257 | 0.3355 | 0.1535 * | — | 5.474 * | 1.3332 | 1.2284 * | 1.5955 | 1.835 * |
| Brussels | 33.8675 | 60.50 | 20.564 | 6.1275 | 2.8036 * | 18.27 | — | 24.3555 | 0.2261 | 29.16 | 0.3357 * |
| Frankfurt | 1.6456 | 2.943 | — | 0.298 | 0.1343 * | 0.8883 | 4.863 * | 1.184 | 1.10 * | 1.4173 | 1.63 * |
| London (a) | 1.787 | — | 2.9380 | 9.861 | 2,154.50 | 3.3053 | 60.69 | 2.483 | 267.28 | 2.0735 | 180.12 |
| Madrid | 101.80 | 180.73 | 61.375 | 18.288 | 8.347 * | 54.53 | 2.9855 | 72.645 | 67.675 * | 87.83 | — |
| Milan | 1,207.80 | 2,157.95 | 733.57 | 218.56 | — | 651.64 | 35.671 | 868.32 | 8.044 | 1,039.50 | 11.951 |
| New York (b) | | | | | | Closed | | | | | |
| Paris | 5.526 | 9.876 | 3.3561 | — | 0.4576 * | 2.9812 | 0.1632 | 3.9738 | 3.6905 * | 4.753 | 5.47 * |
| Tokyo | 150.40 | 267.56 | 91.32 | 27.23 | 0.1246 | 81.12 | 4.4471 | 108.16 | — | 129.43 | 1.4986 |
| Toronto | 1.1622 | 2.0730 | 0.7054 | 0.2102 | 0.962 * | 0.6267 | 3.433 * | 0.8368 | 0.7755 * | — | 1.151 * |
| Zurich | 1.3975 | 2.4963 | 0.8455 | 0.252 | 0.1152 * | 0.7533 | 4.1137 * | — | 0.9299 * | 1.1914 | 1.3781 * |
| 1 ECU | 1.2553 | 0.7023 | 2.0642 | 6.9337 | 1,515.47 | 2.326 | 42.4891 | 1.7449 | 187.882 | 1.458 | 126.824 |
| 1 SDR | 1.3319 | 0.7517 | 2.2049 | 7.4833 | 1,628.00 | 2.4833 | 45.3538 | 1.8653 | 202.046 | 1.548 | 135.466 |

*Closings in London and Zurich, fixings in other centers. Toronto rates at 3 p.m. SDR rates from July 3.*
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

### Other Dollar Values

July 3

| Currency | Per $ | Currency | Per $ | Currency | Per $ | Currency | Per $ |
|---|---|---|---|---|---|---|---|
| Argen. austral | 5300.2 | Greek drac. | 161.90 | Mex. peso | 2859.01 | S. Afr. rand | 2.6475 |
| Austral. $ | 1.2995 | Hong Kong $ | 7.7862 | N. Zealand $ | 1.6935 | Soviet ruble* | 0.5922 |
| Austr. schil. | 11.63 | Indian rupee | 17.513 | Norw. krone | 6.366 | Swed. krona | 6.007 |
| Brazil cruz. | 62.00 | Indo. rupiah | 1845.02 | Phil. peso | 22.00 | Taiwan $ | 26.90 |
| Chinese yuan* | 4.72 | Irish £ | 0.6175 | Port. escudo | 145.42 | Thai baht | 25.64 |
| Danish krone | 6.3015 | Israeli shek. | 2.01 | Saudi riyal | 3.7475 | Turkish lira | 2627.00 |
| Egypt. pound | 2.7034 | Kuwaiti dinar | 0.2924 | Sing. $ | 1.832 | UAE dirham | 3.67 |
| Fin. markka | 3.879 | Malay. ring. | 2.71 | S. Kor. won | 715.50 | Venez. boliv. | 48.80 |

*New York rates unless marked * (local rate.)*

### Forward Rates

July 3

| Currency | 30-day | 60-day | 90-day | Currency | 30-day | 60-day | 90-day |
|---|---|---|---|---|---|---|---|
| Pound Sterling | 1.7589 | 1.7498 | 1.7410 | Canadian dollar | 1.1693 | 1.1740 | 1.1788 |
| Japanese yen | 151.47 | 151.37 | 151.32 | Swiss franc | 1.3989 | 1.3979 | 1.3973 |
| Deutsche mark | 1.6557 | 1.6557 | 1.6558 | | | | |

*Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.*

## INTEREST RATES

### Eurocurrency Deposits

July 4

| | Dollar | D-Mark | Swiss Franc | Sterling | French Franc | Yen | ECU | SDR |
|---|---|---|---|---|---|---|---|---|
| 1 month | 8 5/16-8 7/16 | 8-8 1/8 | 9-9 1/8 | 14 5/8-14 3/4 | 9 7/8-10 | 7 1/16-7 3/16 | 9 7/16-9 9/16 | 8 3/4 |
| 2 months | 8 5/16-8 7/16 | 8 1/16-8 3/16 | 9-9 1/8 | 14 5/8-14 3/4 | 9 15/16-10 1/16 | 7 3/8-7 1/2 | 10-10 1/8 | 8 3/4 |
| 3 months | 8 5/16-8 7/16 | 8 1/8-8 1/4 | 8 15/16-9 1/16 | 14 5/8-14 3/4 | 9 15/16-10 1/16 | 7 1/2-7 5/8 | 10 1/8-10 1/4 | 8 7/8 |
| 6 months | 8 5/16-8 7/16 | 8 3/8-8 1/2 | 8 13/16-8 15/16 | 14 5/8-14 3/4 | 10 1/8-10 1/4 | 7 1/2-7 5/8 | 10 3/16-10 5/16 | 9 |
| 1 year | 8 5/16-8 7/16 | 8 5/8-8 3/4 | 8 13/16-8 15/16 | 14 9/16-14 11/16 | 10 1/4-10 3/8 | 7 1/2-7 5/8 | 10 3/16-10 5/16 | 9 1/8 |

*Sources: All Reuters except ECU: Lloyds Bank.*
*Rates applicable to interbank deposits of $1 million minimum (or equivalent).*

### Key Money Rates

July 4

| United States | Close | Prev. |
|---|---|---|
| Discount rate | Clsd. | 7.00 |
| Prime rate | — | 10.00 |
| Federal funds | — | 8 5/16 |
| Com paper 90-179 days | — | 7.92 |
| 3-month Treasury bills | — | 7.69 |
| 6-month Treasury bills | — | 7.59 |
| 1-year Treasury bills | — | 7.46 |
| 30-year Treasury bond | — | 8.39 |
| 2-month CD's | — | 8.15 |
| 3-month CD's | — | 8.20 |
| **Japan** | | |
| Discount rate | 5 1/4 | 5 1/4 |
| Call money | 7 5/16 | 7 5/16 |
| 2-month interbank | 7 13/32 | 7 7/16 |
| 3-month interbank | 7 15/32 | 7 7/16 |
| **West Germany** | | |
| Discount rate | 6.00 | 6.00 |
| Lombard rate | 8.00 | 8.00 |
| Call money | 8.05 | 8.00 |
| 1-month interbank | 8.00 | 8.00 |
| 3-month interbank | 8.15 | 8.15 |
| 6-month interbank | 8.50 | 8.50 |
| **Britain** | | |
| Bank base rate | 15.00 | 15.00 |
| Call money | 15.00 | 15.00 |
| 3-month interbank | 14 15/16 | 14 15/16 |
| 6-month interbank | 14 7/8 | 14 7/8 |
| **France** | | |
| Intervention rate | 9 1/2 | 9 1/2 |
| Call money | 10 1/8 | 10.00 |
| 1-month interbank | 9 15/16 | 9 7/8 |
| 3-month interbank | 9 15/16 | 9 15/16 |
| 6-month interbank | 10 1/8 | 10 1/8 |

*Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.*

### Asian Dollar Deposits

July 4

| | |
|---|---|
| 1 month | 8 5/16 - 8 7/16 |
| 2 months | 8 5/16 - 8 7/16 |
| 3 months | 8 5/16 - 8 7/16 |
| 6 months | 8 3/8 - 8 1/2 |
| 1 year | 8 5/16 - 8 7/16 |

*Source: Reuters.*

### U.S. Money Market Funds

July 3

*Merrill Lynch Ready Assets*
*30-day average yield:* 7.80
*Telerate Interest Rate Index:* 8.095
*Source: Merrill Lynch, Telerate.*

## GOLD

July 4

| | A.M. | P.M. | Ch'ge |
|---|---|---|---|
| Hong Kong | 361.45 | 361.45 | + 3.90 |
| Luxembourg | 361.35 | — | + 3.80 |
| Paris (12.5 kilo) | 362.26 | 362.19 | + 3.51 |
| Zurich | 362.10 | 362.45 | + 1.20 |
| London | 361.25 | 362.50 | + 0.50 |
| New York | — | Clsd. | — |

*Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S.$ per ounce.*
*Source: Reuters.*

# *Low Prices Drive U.S. Oil Firms Overseas*

By Matthew L. Wald
*New York Times Service*

NEW YORK — For the first time, oil companies operating in the United States are spending more to look for oil abroad than at home, and most of their production and reserves are outside the United States, according to Arthur Andersen & Co., the accounting firm.

The shift, which happened last year and is intensifying, comes as oil imports have reached nearly 50 percent of consumption.

With less focus on domestic exploration, imports will continue to rise, because oil wells do not pump forever.

Domestic production has fallen 17 percent, or 1.8 million barrels a day, since 1986, Arthur Andersen noted in a report released Tuesday, predicting that it would drop an additional 400,000 barrels a day this year.

Some experts said the study might understate the extent of the decline in the U.S. oil industry.

"We've got only 900 drilling rigs running, and they're not in exploratory regions," said Michel T. Halbouty, a geoscientist in Houston.

"It's inevitable," said Theodore Eck, an economist at the Amoco Corp. "There's not much you can do in North America at low oil prices."

He added that if prices rose, domestic drilling would pick up. And if prices increased sharply, he said, tax differences between this country and others would make drilling here relatively more attractive.

In addition, the United States has many older fields that are known to have substantial amounts of oil, but the oil is difficult to recover and can be pumped only at a higher price.

About 60 percent of Amoco's oil exploration and production budget is spent abroad, Mr. Eck said.

Domestic drilling and production are declining, oil company executives agree, because the United States is a "mature" oil province, much more thoroughly drilled and pumped than the rest of the world, and because some areas have been ruled off limits for environmental reasons, which seldom happens abroad.

Arthur Andersen surveyed 236 oil companies that file disclosure statements with the Securities and Exchange Commission.

Nearly all are publicly traded companies that are nominally U.S.-owned, but three are foreign: British Petroleum Co., which owns Sohio; Royal Dutch/Shell Group, which owns Shell; and Broken Hill Pty., an Australian company.

For the last five years that the survey has been conducted, domestic spending in the group has exceeded foreign outlays, but last year, of the $39.2 billion spent, 55.9 percent, or $21.9 billion, was spent abroad.

The domestic figure was up by 7 percent from 1988; the foreign figure by 20 percent.

Among the factors that may be important to the pattern of oil investment in the future are the changes in Eastern Europe, experts say. Some of the most promising prospects are in areas that are interested for the first time in the participation of U.S. companies, experts say. This would tend to draw investment away from other areas.

# Dollar Tumbles On Expectation Of U.S. Rate Cut

*Compiled by Our Staff From Dispatches*

LONDON — The dollar fell sharply in European trading on Wednesday, tumbling below 150 yen for the first time since late May amid a flurry of speculation that U.S. interest rates will soon fall.

The U.S. currency plunged to 149.715 yen at the London close, down from 151.480 yen on Tuesday, and to 1.6457 Deutsche marks, down from 1.6530 DM. The British pound remained very strong, rising to $1.787 from Tuesday's $1.776.

Although the dollar was steadying toward the close, some dealers said further falls were likely.

The dollar's drop came in thin trading, with U.S. markets closed for the Independence Day holiday.

Dealers said the U.S. currency was falling amid a growing belief that U.S. interest rates will soon be cut, a belief that was fueled by President George Bush, who said Tuesday that bringing down interest rates worldwide remained a constant goal.

Jill Gore, assistant manager of corporate foreign exchange at First Chicago National Bank & Trust Co., noted that chart support for the dollar around 1.644 DM did hold Wednesday. She said most traders anticipated a decline below that level on the expectation of lower U.S. interest rates.

Dealers said Friday's U.S. employment report will be closely watched for signs of economic weakness, but it would take a very weak number to stimulate the Federal Reserve Board to ease its grip on credit immediately.

U.S. nonfarm payrolls are expected to show a rise of around 120,000 in June after a rise of just 17,000 in the previous month.

The dollar fell to 1.39085 Swiss francs from 1.39750 Tuesday, and to 5.5210 French francs from 5.5515.

The yen was active with expectations of firmer Japanese monetary policy making investors take a second look at the recently weak currency. *(Reuters, AP)*

### ■ German Unity Bond Set

The West German central bank said the government's first bond in a series of issues to finance monetary union with East Germany will raise 6 billion DM and pay interest of 8.75 percent, Reuters reported from Frankfurt.

The Bundesbank was confirming terms on the issue that had been reported by bond market dealers. The 10-year issue will be priced at 101, cutting the yield slightly.

Analysts and economists have said the extra borrowing to finance monetary union with East Germany was bound to put strong pressure on other long maturity bonds and could push up West German bond yields to near 10 percent.

# *West Widens Safety Net For East Europeans*

*Reuters*

BRUSSELS — Twenty-four rich nations agreed here Wednesday to extend their safety net to Eastern Europe's reforming countries.

The 24 nations, which began their work last year by organizing a safety net for Poland and Hungary, decided to extend their program to take in East Germany, Czechoslovakia, Bulgaria and Yugoslavia. Romania was not included, following last month's violent suppression of street demonstrations.

But a controversial EC Commission plan to set up a $12 billion reserve for Eastern Europe drew cautious response from the United States and Britain, meaning the idea will be sent back for study.

Frans Andriessen, the EC commissioner for external trade relations, warned that East European nations could face a desperate problem starting next January when they must find hard currency to pay for Soviet raw materials and energy products.

The foreign ministers issued a strong statement of support for those East European nations turning their back on 40 years of communist central planning.

The meeting here, on the eve of a two-day North Atlantic Treaty Organization meeting Thursday in London and ahead of next week's Houston meeting of the seven biggest industrial democracies, are expected to give a strong signal of Western support for the sweeping economic reforms now being introduced by the Soviet Union's former satellites.

Foreign Minister Boiko Dimitrov of Bulgaria said his country's move to democracy is occurring within the environment of a grave economic crisis.

"The stupendous task that we are facing is insurmountable without substantive international support," he said.

# Philips Blow to EC Research

*Reuters*

AMSTERDAM — The decision of Philips NV, the Dutch electronics group, to review its commitment to European research projects could put the European Community's technology program at risk, analysts said Wednesday.

"If Philips decided to back out of plans like JESSI, a super microchip program, it would be the end of Europe's attempt to challenge the Japanese supremacy in technology," said Bill Coleman, industry analyst at brokers James Capel & Co. in London.

Coos Andriessen, the Dutch economic affairs minister, has asked Philips to discuss its possible withdrawal from projects.

"There will be a meeting between Philips's new president, Jan Timmer, and the minister within days," the economic affairs ministry spokesman, Luuk van Zijp, said. "The minister is concerned about the consequences of the reorganization on the technology projects, in which the ministry is also involved."

On Monday Mr. Timmer said he wanted to reconsider Philips's involvement in European technology projects.

Philips is involved in many such projects. The two most important are the Joint European Silicon Submicron Initiative (known as JESSI) program and research into high definition television.

Mr. Timmer's decision follows the company's forecast of a 2 billion guilder ($1.07 billion) loss in 1990 due to a drastic reorganization of its loss-making computer and components activities, which may eliminate about 10,000 jobs in Europe.

Mr. Timmer said Philips would continue manufacturing chips only for its consumer electronics and professional products business.

"That could mean the megachip JESSI project could be stopped," Mr. Coleman said.

"If any partner in a minor project withdrew, it could easily be overcome," said Olaf Mayer of the Eureka European technology secretariat in Brussels. "But if a major player withdrew from a major project that would certainly have a serious effect." He added that Philips was a major partner in JESSI and high definition television.

He said the projects would be hindered for some time but would not be stopped if Philips did back out. They were of immense importance for Europe's future, Mr. Mayer added. "Forces would start trying to fill the gap," he said.

Philips was one of the founders of the European technology projects. Two former presidents, Wisse Dekker and Cornelis van der Klugt, have fought hard to get EC support for fundamental research, saying Europe would be inundated by Japanese goods if the EC did not help to fund research.

Under the European technology projects, companies get 50 percent of research costs back in subsidies from either the European Commission or from their own government.

# *NEC Sells New Mainframe It Says Is World's Fastest*

*Agence France-Presse*

TOKYO — NEC Corp. on Wednesday began sales of a mainframe computer system that it claims has the world's fastest data-processing speed.

The ACOS System 3800 is available in seven versions ranging from one processor to six. No information on prices was available.

NEC officials said the new system had a processing speed of 500 million instructions per second, much greater than a model unveiled by Hitachi Ltd. on June 6.

NEC also announced Wednesday that it had developed a powerful semiconductor laser that could greatly cut the cost and improve the quality of optical communications.

NEC said the laser, which is not yet in commercial production, can be used to transmit telephone, video and data communications through fiber-optic cables installed across great distances. The new laser could lead to cheaper, more efficient and reliable optical amplifiers, which now must be installed at intervals of 40 to 50 kilometers (25 to 31 miles) to transmit data, a spokesman said.

# Tokyo Shows Deft Touch on Rates

By Patrick L. Smith
*International Herald Tribune*

NEWS ANALYSIS

TOKYO — A Bank of Japan move toward a tighter interest rate policy, first surmised in the markets last week and confirmed in more recent trading sessions, is quickly restoring the credibility that Japanese monetary authorities lost when the yen and stock prices fell sharply earlier this year.

By moving quietly to manipulate short-term rates through market operations, the central bank has signaled its intention to act preemptively if domestic inflation again becomes a threat. At the same time, it allayed fears in the stock market of another imminent rise in the bank's official discount rate.

And while the bond market was initially unsettled by the central bank's move, it has since quieted. Internationally, the Bank of Japan's relatively smooth policy shift has reduced Japan's vulnerability to rate rises elsewhere while narrowing the options available to U.S. monetary authorities.

Although attention has been focused on the German monetary union and U.S. policy on taxes and interest rates, the impact of the Japanese move has been immediate. The yen has moved to about 150 to the dollar from the mid-150s a week ago.

Reflecting the prospect of a reduced rate differential between Japan and the United States, the dollar ended Wednesday in Tokyo at 150.30, down 1.38 yen from the Tuesday close here and off roughly half a yen from the Tuesday finish in New York.

"The bank acted ahead of the market this time, and by doing so extricated itself from the predicament it was in earlier this year," said Kermit L. Schoenholtz, vice president for equities research at Salmon Brothers Asia Ltd. "The impact on the currency market has been greater, and that too bodes well for the future."

The bank's first moves into the market were confusing. On Friday it launched a commercial paper operation at 7.47 percent with the apparent intent of easing the rate on overnight unsecured call money, which had been driven to 7.625 percent by expected end-of-quarter pressures on liquidity.

But later in the day the seasonal liquidity problem began to look like "camouflage," as one analyst said. When the call money rate drifted back below 7.5 percent, the central bank withdrew loans to commercial banks worth 500 billion yen ($3.33 billion), forcing the rate upward again.

The monetary authorities mounted another commercial paper purchase at 7.44 percent earlier this week. These prices compare with 7.09 percent for the bank's previous issue, launched in early May.

The Bank of Japan's commercial paper operations are similar to the fixed-rate repurchasing agreements occasionally announced by the West German Bundesbank. Both indicate to the markets what monetary officials believe to be the justified level of short-term rates.

Analysts now believe the bank

See RATES, Page 13

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Dividend Notice

At the Annual General Meeting held on June 20, 1990 the shareholders resolved to declare a dividend of USD 0.50 per share, payable from July 9, 1990 to shareholders on record on June 25, 1990 and to holders of bearer shares upon presentation of coupon No 20.

Paying Agent: Kredietbank S.A. Luxembourgeoise
43, boulevard Royal
L-2955 Luxembourg

# *Tourism: East German Trabis Head West*

By Richard E. Smith
*International Herald Tribune*

BERLIN — East Germans may be saving many of their new Deutsche marks for an uncertain future, but there is one luxury few can resist: a trip to the West.

According to a study by the Free University of Berlin and several other institutes, almost 80 percent of the East Germans are planning a vacation of at least five days this summer and two-thirds of those plan to journey to the West.

The survey showed that most of them will come to West Germany, often to stay with friends or relatives.

Wolfgang Weiler, a travel editor for the Berliner Morgenpost who worked on the study, said that the most popular destinations outside of West Germany were Austria and the "magic cities" of London, Paris and Athens.

Austria, long a major foreign vacation spot for West Germans, is relatively cheap and close enough so that the trip will not put too much strain on the Trabants, the unreliable little East German auto.

In any event, the columns of Trabis, as they are popularly known, and Wartburgs will be puttering mostly to budget sites or campgrounds.

With mass unemployment looming, even this might be considered extravagant, but the temptation to see the West appears stronger than for major purchases.

"People are curious to do something that most have never been able to do," said Karin Oxenknecht, a director of the office here of Reisebüro, the East German tour operator.

"The desire to see the West has been pent up so long that this could well be an exception to the general trend to save," said Hermann Remsperger, chief economist at BHF Bank in Frankfurt.

Hans-Joachim Corsalli, the first East German to withdraw Deutsche marks from his account on Sunday morning, said he wanted to take his family on a vacation.

The study indicated that he may be followed by nearly 14 million countrymen.

Other countries are already competing for East German tourist business, with an eye toward instilling habits in a population likely to spend as heavily for travel as their western counterparts in coming years. Spain, for example, lifted its visa requirements for East Germans last month.

Travel has always accounted for one of the larger outflows in West Germany's current account and East Germans have long been among the East bloc's more adventurous tourists.

"Many of those booking with us to visit the West have already been to such places in the East bloc as Vietnam, Mongolia and Cuba," said Jacko Hassenmeier, a spokesman for Touristik Union International, West Germany's largest tour operator.

"It is not only the people who are better off who want to travel but a cross-section of the whole society," he said.

Not all will be seeking the bright lights of the West, however, since the East generally remains cheaper.

"There are East Germans who have been booking tours with us for the East in order to save money," said Eva Schumann, of Boom Tours in West Berlin.

But the vast majority of East Germans want to finally touch what they have for a lifetime only been able to read about and see in movies and on television.

Last year approximately a million tours were arranged by Reisebüro, a state-owned company which held a virtual monopoly on tourism.

Of this total, only about 15,000 went beyond the Iron Curtain to such destinations as Scandinavia, Malta and Greece.

This year, however, Reisebüro is dissolving into several independent units and the new international catalogue promises a wide range of tours to Spain, Italy, Greece and Egypt.

SANYO KLEINWORT SPAIN FUND MANAGEMENT S.A.
Société Anonyme
Luxembourg, 11, rue Aldringen
R.C. Luxembourg n° B 27852

Dividend Notice

The Board of Directors' Meeting of Sanyo Kleinwort Spain Fund Management S.A. decided on June 21st, 1990 the payment of a dividend of US$ 0.20 per share of Sanyo Kleinwort Spain Fund (the Fund), payable on or after July 6th, 1990 to shareholders on record on June 21st, 1990 against surrender of coupon No 2. The shares will be quoted ex-dividend as from June 21st, 1990.

By order of the Board of Directors

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# Daimler Says Results Will Improve by 1992

*Reuters*

STUTTGART — Daimler-Benz AG, West Germany's largest industrial company, said Wednesday that it was not satisfied with its operating results but that by 1992 the results should again be satisfactory.

"Compared with our traditional yardstick, we are not satisfied with our current operating results," chairman Edzard Reuter said in a speech prepared for the annual shareholders' meeting.

He said, though, that the recent restructuring should soon pay off and that it will not be too long before these results are again satisfactory.

"It won't take too long before we come to a turning point to a satisfactory level," Mr. Reuter said. "From a current perspective we reckon it will happen in 1992."

Mr. Reuter did not provide any figures for Daimler's operating results, which are calculated according to its own standards. But he said last year's operating results were far from negative.

Last year Daimler's net profit rose to 6.81 billion Deutsche marks ($4.13 billion) from 1.7 billion the year before. But without extraordinary items and gains due to accounting changes, profits would have been the same in both years.

Mr. Reuter told shareholders that part of the reason for the disappointing earnings last year were weak domestic sales of diesel cars, currency fluctuations, expenditures on the development of new car models and earlier quality problems.

He added that AEG AG, Daimler's electronics unit, still had not completed preparations to enter new markets.

Mr. Reuter also announced that Daimler plans to enter a joint venture with a formerly state-owned East German firm to manufacture 50,000 vehicles annually.

"We share the conviction that after a difficult period, East Germany will be able to reckon with a booming economic development," he said, adding that Daimler had no plans to expand its own car production into East Germany like Volkswagen AG.

# Lufthansa Sets Expansion

*Reuters*

DUISBURG, West Germany — Deutsche Lufthansa AG, West Germany's state-controlled airline, said Wednesday that it plans to spend up to 10 billion Deutsche marks ($6 billion) by the end of 1992.

Lufthansa expects to add 66 aircraft to its fleet of 200 by the time the European single market becomes a reality, the chairman Heinz Ruhnau told the annual shareholders meeting.

He said the massive investment in fleet modernization is necessary for the airline to remain competitive when the European airline industry is progressively deregulated after 1992.

Mr. Ruhnau said the carrier will spend 90 million DM this year to expand facilities at the regional Cologne/Bonn airport.

In its 1989 annual report, released in May, Lufthansa said it would spend more than 3 billion DM this year on its fleet and infrastructure.

# Preussag Sees Good 1990

*Reuters*

HANOVER, West Germany — Preussag AG, the German metals company, will pay another "appropriate" dividend on 1990 results in light of positive business developments this year, the chairman Ernst Pieper said Wednesday.

Net profit in 1989 rose to 315 million Deutsche marks ($191 million) from 117 million DM in 1988, and the company raised the dividend to 8 DM from 5 DM. Preussag merged with the state-owned engineering concern Salzgitter AG late last year.

Preussag shares closed at 455 DM Wednesday, up 2 DM.

# West German Surplus Surges

*Compiled by Our Staff From Dispatches*

BONN — West Germany had a trade surplus of 12 billion Deutsche marks ($7.3 billion) in May, sharply up from a surplus of 7.6 billion DM in April, the federal statistical office announced Wednesday.

Other figures showed that West German industrial production rose in May by a seasonally adjusted 2 percent from April's figure, which was revised downward by two index points, and the unemployment rate fell to 6.9 percent in June, or 1.8 million unemployed, from 7 percent in May.

Meanwhile, East German unemployment surged by 50 percent, to 142,096 in June, according to data released in Berlin. An East German statement said the rate stood at 1.6 percent of the workforce. Unemployment was not reported under the Communist government.

May inflation figures for East Germany are also misleading, showing a 1.7 percent decline in the cost of living compared to the year before. There have been drastic price reductions for numerous consumer goods as industries struggle to compete.

The West German balance of payments on current account showed a surplus of 8.7 billion DM in May compared with a surplus of 5.7 billion DM in April and 8.8 billion DM a year ago.

The May trade surplus in West Germany showed a 13.2 percent rise over the same month last year, with imports totaling 43.74 billion DM, up 8.2 percent from the same period a year earlier but down 2.4 percent from April.

West German exports soared 9.4 percent over the May 1989 level to 55.78 billion DM, up 6.4 percent over April.

The West German unemployment rate was 8.4 percent a year ago in June.

The West German Economics Ministry said production in the mining sector climbed 8.5 percent in May, while output in the utility sector was up 1.5 percent and construction business rose 1 percent.

Production in the manufacturing industry climbed 2 percent in May from the April figure.

"Economic growth still shows unbroken vitality in its eighth year," said the West German Labor Office president, Heinrich Franke.

Statistics on East Germany's economy already reflect a downward spin, although the unemployment rate in June was still far lower than West Germany.

"This is the just the start of the process," said Manfred Melzer, a specialist on East Germany at the West Berlin-based DIW research institute. Mr. Melzer said the introduction of the free market would put many East German firms out of business, leaving up to 2 million of the country's 9 million workers unemployed by January.

The East's industrial output, suffering from the loss of 250,000 workers since last November's border opening, fell 1 percent in May from April and stood more than 5 percent lower than a year ago.

Industry experts see a future for many East German firms only if they raise productivity to Western levels, which is twice as high. This is proving hard as East Germany's unions demand pay rises and cuts in working hours.

*(AFP, UPI, Reuters)*

# French Firm Ordered To Cut British Stake

*Agence France-Presse*

LONDON — The British government on Wednesday ordered Compagnie Générale des Eaux of France to reduce its stake in the British water distribution company, Mid Kent Water, from 29.9 percent to 19.5 percent.

The current stake, held through the French concern's British subsidiary General Utilities, "may be expected to operate against the public interest," the trade and industry secretary, Nicholas Ridley, said.

General Utilities was also ordered not to seek a seat on the Mid Kent Water board.

The decision reflects government concern over French investment in the British water industry.

Mr. Ridley's decision was in line with a report from the Monopolies and Mergers Commission, which said that the high General Utilities stake in Mid Kent had the effect of reducing the number of independent water companies.

This prevented the industry's regulatory body, the Office of Water Services, from making comparisons between water companies to regulate their activity.

# Saatchi Unit Is to Be Sold At a Loss

*The Associated Press*

LONDON — Saatchi & Saatchi Co., which is trying to shed its ailing consulting businesses, said Wednesday that it had agreed to sell Gartner Group Inc. for $70 million, $16 million less than the British advertising giant paid for it two years ago.

The buyer is GGI Holding Corp., a unit of Information Partners L.P. of Boston. Information Partners is an investment group that specializes in communications companies.

GGI Holding has offered to pay $55 million in cash and $15 million of either a subordinated promissory note or exchangeable preferred stock.

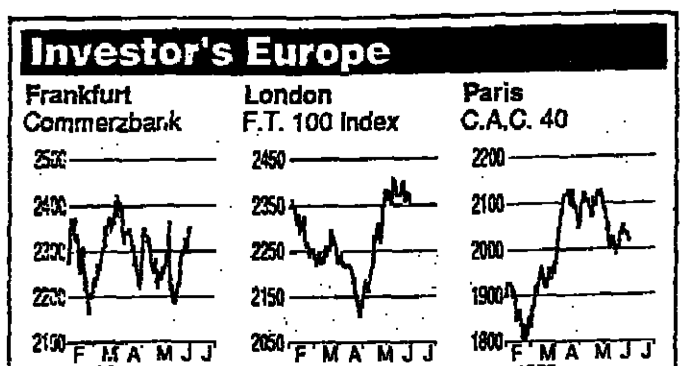
The sale of Gartner, a Stamford, Connecticut market information and product data supplier, is expected to be completed within the next six weeks, said Saatchi, which has been divesting its consulting units to concentrate on its core operations and reduce its debt.

Saatchi announced in early June that it was selling its largest consulting business, the Hay Group, for about $80 million.

Saatchi said it still is aiming to sell Litigation Sciences Inc., a Los Angeles litigation tactics firm; a real estate brokerage firm in Los Angeles called Corporate Planners & Coordinators Inc., and MSL International, a London executive recruitment business.

In trading on the London Stock Exchange, Saatchi shares were up 1 pence at 85 pence after the announcement.

## Investor's Europe




| Exchange | Index | Wednesday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Amsterdam | CBS Trend | 120.60 | 121.50 | -0.74 |
| Brussels | Stock Index | 6274.42 | 6281.62 | -0.11 |
| Frankfurt | Commerzbank | 2355.20 | 2330.30 | +1.07 |
| Frankfurt | DAX | 1921.99 | 1906.23 | +0.83 |
| Helsinki | UNITAS | 537.00 | 539.00 | -0.37 |
| London | Financial Times 30 | 1881.10 | 1894.70 | -0.72 |
| London | FT-SE 100 | 2355.50 | 2371.70 | -0.68 |
| Madrid | General Index | 300.10 | 298.68 | +0.48 |
| Milan | MIB | 1075.70 | 1082.90 | -0.66 |
| Paris | CAC 40 | 2015.93 | 2031.98 | -0.79 |
| Stockholm | Affaersvaerlden | 1351.90 | 1344.10 | +0.58 |
| Zurich | SBS | 690.00 | 684.40 | +0.82 |

Source: AFP International Herald Tribune

# Striking Oil Workers Defy Norway Government Order

*Compiled by Our Staff From Dispatches*

OSLO — Norway's oil output on Wednesday hovered around 40 percent of normal after a near shutdown in the past four days because of unofficial strikes. About 1,000 platform workers continued a wildcat strike in defiance of a government back-to-work order.

Two oil workers have been fired for preventing helicopters from landing on the platforms.

The state oil firm Den Norske Stats Oljeselskap A/S said production was running around Tuesday's level of 400,000 barrels per day, just under half of normal output from its Statfjord, Gullfaks and Veslefrikk fields.

Norsk Hydro A/S said its large Oseberg field and its floating Petrojarl rig were producing at normal capacity, as was Norway's 22 percent share of the Murchison field.

Operators reported that other fields were still closed by the wildcat strikes. They said Norway was currently pumping some 700,000 barrels per day, down from a normal 1.7 million barrels per day.

The Oil Workers' Collective Union, the main offshore workers' union, started a strike by 4,000 members on Saturday at midnight.

The center-right government outlawed the strike from Monday, saying it could cripple the economy. Union leaders accepted the ruling, but around 1,000 workers continued the stoppage.

The government stands to lose some $30 million a day in tax revenue, or 25 percent of its income, if oil and gas production is halted.

*(Reuters, AFP)*

# Foreign Passion for Paris Bourse Is on the Wane

*Reuters*

PARIS — Foreign investors fell in love with France's stock market in the spring but their passion has since waned, leaving analysts with mixed feelings about prospects for the Paris Bourse for the rest of the year.

"For the time being, I don't think the French market is very much in favor," said Jean-Jacques Giony, French equities analyst at Merrill Lynch Securities in London.

The fundamentals remain attractive, with a strong French economy and generally good earnings growth. But investors have been upset by profit warnings from some top-ranking companies.

"I would be disappointed if we didn't see the CAC-40 index around 2,300" by the end of the year, said Philip Best, responsible for foreign sales at the Paris brokerage Fauchier Magnan. "I think the fundamentals are easily good enough to take us there."

But Jerome Cousin, research director at the French broker Dupont Denant, said positive and negative factors will balance. "We don't think the bourse will progress in any strong and solid way. We're likely to end up near present levels."

Mr. Cousin predicted that the CAC-40 index would end 1990 between 2,050 and 2,100. The index closed Wednesday at 2,015.93, up from 2,004.00 at the end of 1989 but down from a high of 2,129.32 in April.

Mr. Giony of Merrill Lynch said autumn will provide the litmus test for French markets, with a spate of companies reporting results for the first half of this year.

"If those are disappointing, the market would be quite negatively affected. If everything is still in line with forecasts, it could renew some optimism," he said.

While stressing that average earnings growth for French companies still looks healthy, analysts say a number of profit warnings have put the market in an unforgiving mood.

"The market continues to reward the good and punish the poor," Mr. Best said.

Warnings of low growth or possible losses from major companies like Michelin & Co. and the media group Hachette SA have cooled the ardor of investors, both foreign and French.

Political worries have also deterred foreign investors since President François Mitterrand last month suggested tax reforms that were interpreted as negative for business.

# Fiat Seeks Stake In GE Project

*Reuters*

ROME — Fiat SpA said Wednesday that it was interested in taking a stake of around 10 percent in the development of a high-thrust engine in partnership with General Electric Co. of the United States.

GE said last week that it was having talks with the Italian company about participating in the project. On Tuesday GE said it had signed an agreement with the French engine maker SNECMA that gives SNECMA a 25 percent share in the development and production of the GE90 engine.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## INTERNATIONAL FUNDS

July 4, 1990

Quotations supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

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(m) ABC FUTURES FUND LTD $ 100.96
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(w) ABN-Aandelenfonds FL 79.97
(w) ABN-Beleggingsfds Ned. FL 63.92
(w) Aldollar $ 21.70
(w) Alrenta FL 156.10
(w) America-Fund (LE) $ 173.18
(w) Asian Tigers Fund $ 35.79
(w) LDC Risk Inv.fund $ 1060.26
(w) Trans Europe Fund FL 88.30
(w) Trans Europe Fund $ 47.38
AIG FUND MANAGEMENT LTD.
(d) AIG Amer.Eq.Trust $ 25.81
AL-MAL BANK LIMITED.
(w) Investment Units $ 108.10
(w) Currency Units $ 112.29
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Arbitrage Fund $ 265.16
(m) Alpha Futures Fund Ltd. $ 122.69
(m) Alpha Global Fund $ 621.81
(m) Alpha Hedge Fund $ 330.72
(m) Alpha Pacific Fund Ltd. $ 260.08
(m) Alpha Short Fund Ltd. $ 102.60
(m) Curran-Alpha Hlth Care Fd. $ 269.20
(m) Nicholas-Applegate Hge Fd $ 110.40
(w) Heisei Japan Fund Y 16648.00
(w) Nicholas-Applegate Aurelia. $ 148.87
ARRAL ASSOCIATES LTD
(w) Arral Int'l hedge Fund $ 89.18
(w) Arral Asian fund $ 127.39
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond SF 880.00
(d) Conbar SF 1723.00
(d) Equibaer America $ 1910.00
(d) Equibaer Europe SF 1471.00
(d) Equibaer Pacific SF 1187.00
(d) Stockbar SF 2096.00
(d) SFR-BAER SF 986.00
(d) Swissbar SF 2524.00
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 10078.00
(b) Germany Fixed Income DM 98.28
(b) Netherlands Fixed Income FL 100.13
(b) US Dollar Fixed Income US$ 102.48
(b) Japan Equity US$ 79.00
(b) Pacific Equity US$ 101.76
(b) Intl Portfolio 'A' US$ 101.72
(b) Intl Portfolio 'B' ECU 100.15
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,289.50
(r) Multicurrency Ecu ECU 1,204.05
(r) Multicurrency Yen Y 277,361.00
(r) Multicurrency FFR FF 11,021.01
BNP INTERFUNDS
BNP LUXEMBOURG
(w) INTERBOND FUND $ 202.69
(w) INTERBELGIAN FB 59,946.00
(w) INTERECU FUND 'A' ECU 251.58
(w) INTERECU FUND 'B' ECU 1052.66
INTER CASH
(t) France Securite FF 12,525.86
(t) France Monetaire FF 10,759.76
(t) ECU ECU 1,389.10
(t) US$ $ 1,065.16
(t) DM DM 2,125.66
(t) GBP £ 1,058.35
(t) FRF FF 14,579.45
(t) France Capital FF 11,495.94
INTER OPTIMUM
(w) BEF/LUF FB 72,119.00
(w) Multidevises DM DM 2,027.70
(w) US$ $ 1,002.39
(w) FRF FF 10,508.84
INTER STRATEGIE
(w) France FF 10,424.12
(w) Europe du Nord £ 1,060.37
(w) Europe du Centre DM 2,366.41
(w) Europe du Sud ECU 1,128.32
(w) Japon YEN 147,059.00
(w) Amerique du Nord $ 1,060.37
(w) Sud-Est Asiatique $ 1,037.70
BNP JERSEY
INTER CURRENCY
(w) US$ $ 11.9941
(w) DM DM 32.4317
(w) GBP £ 17.0826
(w) International Managed $ 11.4231
INTER EQUITY
(w) French Offer $ 19.06
(w) Pacific Offer $ 24.99
(w) North American Offer $ 12.59
(w) European Class $ 12.06
(w) Australia Class $ 10.11
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726614
(w) Int'l Equity Fund (Sicav) $ 12.09
(w) Int'l Bond Fund (Sicav) $ 11.18
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 37.48
(w) Asian Income Fund $ 8.75
(m) Dual Futures Fd. Class A Units $ 103.24
(m) Dual Futures Fd. Class B Units $ 100.33
(m) Dual Futures Fd. Class C Units $ 98.89
(m) Dual Fut. Fd. Class D Units $ 99.68
(w) Diverbond SF 77.10
(w) The Dragon Fund Sicav $
(w) FIF Int. Switz. SF 104.84
(w) FIF-Internat. Div.A $ 19.84
(w) FIF-Internat. Div.B $ 20.97
(w) FIF Internat.America $ 16.25
(w) FIF Internat.Pacific $ 49.94
(w) FIF Internat.Europe $ 34.41
(w) FIF Internat.Japan Y 1,175.00
(w) FIF Intl.S'pore+Malay. SG$ 10.25
(w) FIF Int. Nat. Res. A $ 11.89
(w) FIF Int. Nat. Res. B $ 12.19
(w) France International FF 98.16
(w) France Blue chips No 1 FF 134,996.27
(m) Galaxy Futures Fd Ltd $ 110.34
(w) Gestion Selective FF 4,714.06
(w) Himalayan Fund $ 10.01
(w) Indosuez Mult. Div. A $ 131.28
(w) Indosuez Australia Fund $ 4.090
(d) Indosuez Hong Kong Fund $ 18.725
(w) Indosuez Mult. Div.B $ 292.28
(w) Indosuez Multibonds US$ $ 108.81
(w) Indosuez Multibonds YEN Y 10,232.00
(w) Indosuez Mult. DM DM 104.45
(w) Intl Bond Fund $ 10.83
(w) ISA Japan Reg. Gr. Fd. Y 1,007.00
(w) IPNA-3 $ 1720.00
(w) Japan Fund $ 14.21
(d) Japan Warrant Fund $ 8.83
(w) Malacca Fund $ 16.70
(w) Managed Trust $ 20.20
(w) Manila Fund $ 8.20
(d) New Zealand Fund $ 7.82
(w) Japan Fund $
(w) North American Fund $ 34.46
(d) Oriental Ventures Trust $ 51.35
(w) Pacific Trust HK$ 26.27
(d) Pacific Warrant Trust $ 8.835
(w) Precious Metals Trust £ 9.135
(w) Sing. & Malay. Trust $ 16.785
(d) Worldwide Growth Fund $ 9.730
(w) The Siam Fund $ 31.48
(w) Pacific Gold Fund $ 12.07
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 1002.95
(w) Daiwa LCF Rothschild $ 1676.37
(w) Ecu D'Or ECU 80.97
(w) Hispano Int'l Fund ECU 10.77
(b) Pri-Tech $ 1171.78
(b) Source Sicav $ 11.90
BANQUE E. DE ROTHSCHILD LUX. SA
(b) Cursitor BP Fixed Inc.Fund DM 107.23
(b) Cursitor BP General Fund DM 135.50
(b) Eagle Fund LF 9522.00
(d) Europe Japon Fund $ 10.42
(b) Governm. Sec. Funds $ 68.54
(w) Leicom $ 2777.22
(b) Opportunities Fund $ 898.40
(b) Prifirst $ 592.36
(b) Priroo fund DM 52.96
(w) Rente Plus BF 4856.00
(w) Select. Horizon Dev. FF 56007.75
(w) Select. Horizon FF FF 60380.25
(b) Stor Conv.Fund FL FL 10,444.00
(b) Stor Conv.Fund USD $ 105.78
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) Interbond Chf. SF 70.80
(w) Intelsec Chf. SF 1729.19
(w) Universal Intelbond $
(w) Universal Intelsec $
(w) Universal Intelbond FF
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 13.40
(d) Non-$ Money Market DM 32.41
(d) $ Bond $ 13.80
(d) Non-$ Bond DM 30.50
(d) European Equities $ 10.82
(d) Global Equity $ 18.68
(d) Global Bond $ 14.18
(d) Global Bond & Equity $ 15.39
(d) Pacific Equities $ 10.77
(d) Prec. Mets/Min. Secs $ 6.18
B.W MANAGED ASSETS CY. SICAV
(t) Global Bond Fund ECU 10.24
(t) European Securities Fd. ECU 14.75
(t) French Securities Fund FF 128.09
(t) North American Secu.Fund $ 13.10
(t) Pacific Basin Secu. Fund $ 9.22
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux Obl. Fses FF 6,057.83
(d) Fructilux-Obl.Euro ECU 1,120.12
(d) Fructilux-Act.Fses FF 7,887.48
(d) Fructilux-Act.Euro ECU 1,399.13
(d) Fructilux court terme FF 6,185.36
CALLANDER
(w) Callander Emer. Gr. $ 122.00
(w) Callander F-Asset $ 99.40
(w) Callander F-Austria AS 1,491.29
(w) Callander F-Spanish. Ptas 9,836
(w) Callander Swiss Gr. SF 159.87
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 97.58
(w) Capital Italia SA $ 43.78
CCF - GAMMA
(w) CM Actibonds $ 35.35
(w) CM Global Growth $ 11.07
(w) Elysees Court Terme FF 61,662.60
(w) Elysees Long Terme FF 56,718.48
(w) Elysees Monetaire FF 64,290.93
(w) EMF Sterlings (A & B) £ 528.87
(w) EMF Dutch Gul.(A&B) FL 1025.69
(w) EMF D-Mark (A&B) DM 986.70
(w) EMF Ecu (A & B) ECU 1,023.63
(w) EMF US Dollar (A & B) $ 1,076.17
(w) EMF Yen (A & B) YEN 99108.00
(d) Europe Presi. Fd A ECU 11.04
(d) Europe Presi. Fd B ECU 12.98
(d) Euro. Smlr Cos. Fd.A ECU 15.42
(w) Euro. Smlr Comp.Fd.B ECU 15.42
CDC INTERNATIONAL
(w) CFI Court Terme FF 126,379.26
(w) CFI Long Terme FF 1111533.58
CIC GROUP
(d) Obiicic Monetaire FF 12285.13
(d) Obiicic Court Terme FF 12354.23
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POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1387.98
(d) Citicurrencies Managed $ 116.79
(d) Citiinvest Ecu Income ECU 1368.96
(d) Citiinvest Manag. Growth $ 1254.22
(d) Citi.Mana.Growth Euro ECU 1087.87
(d) Citiinvest Selector $ 944.61
(d) Citiinvest Guardian $ $ 1115.42
(d) Citiinvest Guard. Euro ECU 1093.48
(d) Citiport N.A Equity $ 162.89
(d) Citiport Jap. Equity Yen 10,268.00
(d) Citiport UK Equity £ 120.03
(d) Citiport S.Asian Eq. $ 142.41
(d) Citiport Cont.Euro. Eq. ECU 159.51
(d) Citiport N.A.S Bond $ 116.96
(d) Citiport Euro Bond ECU 108.62
(d) Citiport AS.Pac.Bd. YEN 11,031.00
CITITRUST
(w) US.$ Equities $ 217.95343
(w) US.$ Bonds $ 12.67203
(w) US.$ Money Market $ 13.25309
(w) Citiland $ 927.33438
(w) Citiperformance Ptf S.A $ 10.37914
(w) Global Equities $ 9.31000
(w) Global Money Market $ 12.31000
(w) Global Bonds $ 11.21000
(w) C.Croissance Fr.Suisse SF 2048.44
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond:Dollar Medium Term $ 10.95
(w) Bond:Ecu Multicur. ECU 10.26
(w) Equity:United Kingdom £ 9.97
CREDIT AGRICOLE: MOSAIS
(d) Actions Bassin Pacif. $ 14.17
(d) Actions Europeennes ECU 15.48
(d) Actions Francaises FF 103.06
(d) Actions Int. Div. FF 106.83
(d) Actions Japon Y 2134.23
(d) Actions Nord-Am. $ 13.92
(d) Court Terme ECU ECU 15.46
(d) Court Terme FRF FF 103.76
(d) Court Terme USD $ 15.03
(d) Oblig. Europeenes ECU 15.45
(d) Oblig. Francaises FF 104.00
(d) Oblig. Ht. Rendt. $ 16.15
(d) Oblig. Int. diversifiees FF 103.73
(d) Oblig. Int.Div.Sensib.Red FF 103.72
(d) Oblig. N. Americaines $ 15.13
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(d) Bond Valor Swf SF 97.15
(d) Bond Valor US-DOLLAR $ 123.49
(d) Bond Valor D-mark DM 101.32
(d) Bond Valor Yen Y 9,970.00
(d) Bond Voor £ Sterling £ 92.06
(d) Convert Valor Swf SF 149.15
(d) Convert Valor US-DOLLR $ 191.78
(d) CSF International SF 134.75
(d) Actions Suisses SF 648.75
(d) Europa-Valor SF 237.75
(d) Energie-Valor SF 153.25
(d) Canasec SF 524.00
(d) Ussec SF 754.00
(d) Pacific-Valor SF 161.25
(d) CS Eu. Blue Chips A DM 282.94
(d) CS Eu. Blue Chips B DM 282.94
(d) CS Gold Valor $ 136.79
(d) CS Ecu Bond A ECU 98.05
(d) CS Ecu Bond B ECU 120.17
(d) CS Euro Finance Fd.'A' DM 252.77
(d) CS Euro Finance Fd 'B' DM 253.77
(d) CS Europa Bond 'A' DM 243.89
(d) CS Europa Bond 'B' DM 266.81
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(d) CS Gulden Bond B FL 111.66
(d) CS Hispano Iberia Fd 'A' PTS 26,739.00
(d) CS Hispano Iberia Fd 'B' PTS 368.96
(d) CS Prime Bond 'A' DM 88.71
(d) CS Prime Bond 'B' DM 100.34
(d) CS Short-T. Bd DM A DM 96.04
(d) CS Short-T. Bd DM B DM 112.90
(d) CS Short-T. Bd $ A $ 100.46
(d) CS Short-T. Bd $ B $ 122.54
(d) CS Money Market Fund $ 1506.30
(d) CS Money Market Fund DM 1304.36
(d) CS Money Market Fund £ 1677.83
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(d) Short Term 'B' (Accum) $ 1.2736
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(w) Long Term $ 32.4162
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(d) British Equity Portfolio $ 10.58
(d) U.S.$ Sh. Term Asset Ptfl. $ 10.02
(d) Sterling Sh. Term Asset Ptfl. £ 10.22
(d) North American Bond Ptfl. $ 10.15
(d) Multi-Currency Bond Ptfl. $ 10.28
(d) Sterling Bond Portfolio £ 9.84
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(d) Fidelity Conv. Sec. Portf. $ 10.39
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(m) Fid.Amer.Val.II Com. $ 98.23
(m) Fid.Amer.Val.III Com. $ 64.34
(m) Fid.Amr.Val.III Cum.Pref $ 102.05
(d) Fidelity Amer. Assets $ 140.51
(d) Fidelity Australia Fund $ 15.86
(d) Fidelity Dir. Svgs.Tr. $ 176.35
(d) Fidelity Pacific Fund $ 378.77
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(d) Fidelity Discovery Fund $ 17.76
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(d) Fidelity Frontier Fund $ 23.47
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(d) Fidelity Global Selct Fd $ 15.04
(d) Fidelity Int'l. Fund $ 16.01
(d) Fidelity Orient Fund $ 113.90
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(d) Fidelity World Fund $ 72.45
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(d) Japan Portfolio $ 1.35*
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(d) Japan Fund Y 746.30
(d) Australasian Fund $ 0.3359
(d) Global Resources Fund $ 0.8101
(d) Emerging Markets Fund £ 1.414
(d) International growth $ 3.025
(d) Sterling Bond £ 0.9955
(d) E.C.U. Bond Fund ECU 0.9427
(d) International Bond $ 1.168
(d) US$ Deposit $ 1.926
(d) Sterling Deposit £ 1.814
(d) French Franc Deposit Fd FF 10.92
(d) Sw. Fr. Deposit SF 5.141
(d) DM Deposit DM 5.116
(d) Yen Deposit Y 510.6
(d) Austr.Dollar Dep. Fd A$ 1.050
(d) Global Conv. Bond Fd $ 17.98
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(w) (C) Genesee Opportunity $ 102.84
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(w) GAMerica Inc $ 257.96
(w) GAM Australia Inc. $ 119.02
(w) GAM Asean Inc $ 186.59
(w) GAM Bond Fund Inc U.S Ord. $ 108.45
(w) GAM Bond Fund Inc U.S Spe. $ 132.78
(w) GAM Bond Fund Inc. SF 88.85
(w) GAM Bond Fund Inc. £ 96.45
(w) GAM Bond Fund Inc. DM 85.76
(w) GAM Bond Fund Inc. Y 10,915.00
(w) GAM Boston Inc $ 234.02
(w) GAM Ermitage $ 32.15
(w) GAM Europe Fund $ 106.73
(w) GAM European Inc. $ 123.29
(w) GAM Franc-Val Inc. SF 220.25
(w) GAM France Inc FF 1706.13
(w) GAM Global Fund $ 139.24
(w) GAM High Yield Inc. $ 93.11
(w) GAM Hong Kong Inc. $ 232.63
(w) GAM International Inc. $ 174.94
(w) GAM Japan Inc. $ 559.20
(w) GAM Money Mkts. Fund $ 100.15*
(w) GAM Money Mkts. Fund £ 100.27*
(w) GAM Money Mkts. Fund SF 100.16*
(w) GAM Money Mkts. Fund DM 100.14*
(w) GAM Money Mkts. Fund Y 10,013.00*
(w) GAM Mlti-Mgr Fd Inc Gen Eq $ 107.28
(d) GAM Mlti-Mgr Fd Inc Alloc. $ 102.39
(d) GAM Mlti-Mgr Fd - Trading $ 98.24
(w) GAM North America Fund $ 102.11
(w) GAM Pacific Basin Fund $ 135.30
(w) GAM Pacific Inc $ 546.42
(w) GAM Restr. Fd. Inc. $ 149.31
(w) GAM Singapore/Malay Inc $ 279.72
(w) GAM Swiss Fr Spec Bd Fd SF 95.56
(w) GAM Value Inc. $ 102.45
(w) GAM Worldwide Inc $ 451.37
(w) GAM Tyche S.A. Class A $ 199.20
(w) GAM Universal (Sp) Inc. SF 93.23
(w) GAM U.S. Inc. $ 170.44
(w) GAM Whitehorn Fund Inc. $ 145.97
(w) GAM ut Inc. $ 322.70
(w) GSAM Composite Inc. $ 224.97
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(d) G.T. ASEAN Fund $ 59.85
(d) G.T. Asia Fund $ 15.77
(d) G.T. Australia Fund $ 26.60*
(d) G.T. Berry Japan Fund $ 39.32
(w) G.T.Biotechn./Health Fund $ 11.76
(d) G.T. Bond Fund $ 16.01
(d) G.T. Britain Fund £ 6.74
(d) G.T. Deutschland Fund $ 15.32
(d) G.T. Dollar Fund $ 21.71
(d) G.T. Europe Fund $ 38.16
(w) G.T. Emerging Mkts Fund $ 10.00
(w) G.T. Euro. Small Cos. Fund $ 39.66
(d) G.T.Global Small Cos.Fund $ 16.41
(d) G.T.Global Techno. Fd $ 17.66*
(d) G.T. Hong Kong Fund $ 31.98
(d) G.T. Honshu Pathfinder $ 14.32
(d) G.T. Investment Fund $ 13.33
(w) G.T. Japan OTC Stocks Fund $ 14.04
(w) G.T. Japan Sml Co.Fd $ 18.75
(d) G.T. Korea Fund $ 6.61
(w) G.T. Nat Res. Fd Gold Class $ 5.67
(d) G.T. Newly Ind. Countr. Fd $ 32.53
(d) G.T. Select Dollar Bd Ptl $
(d) G.T. Select Int Bd Ptl $
(d) G.T. Select Gilt Ptl. £
(r) G.T. Technology Fund $ 44.40
(d) G.T. U.K. Small Companies £ 8.56
(d) G.T. U.S. Small Companies $ 16.44
HENDERSON HORIZON FUND
(d) HHF Japan Portfolio $ 12.99
(d) HHF Japan Sm. Cos. Ptfl. $ 22.17
(d) HHF Pacific Portfolio $ 12.22
(d) HHF North Amer.Portfolio $ 5.21
(d) HHF European Portfolio $ 9.37
(d) HHF U.K. Portfolio $ 6.13
(d) HHF Global Portfolio $ 10.18
(d) HHF Fixed Interest Ptfl. $ 8.73
(d) HHF Dollar Liq. Ptfl. $ 0.7985
(d) HHF Sterling Liq. Ptfl. £ 1.0699
(d) HHF Invt. Cos. Ptfl. $ 10.92
HENDERSON PTFL. MGT. SERVICE
(d) HPMS Dol. Bal. Gr. Ptfl $ 2.124
(d) HPMS Sterl. Bal. Gr. Ptfl £ 1.311
(d) HPMS Dol. Sel Markets Ptfl $ 2.193
(d) HPMS Dol.Income & Gr. Ptfl $ 1.819
(d) HPMS Sterl. High Inc. Ptfl. £ 0.600
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Ptfl UK Equity £ 9.56
(d) H. S. Glbl Ptfl UK Sm.Co.Eq. £ 9.79
(d) H. S. Glbl Ptfl N.Amer. Eq. $ 9.97
(d) H. S. Glbl Ptfl US Sm.Co.Eq. $ 9.19
(d) H. S. Glbl Ptfl Pac.Bas.Eq. $ 9.27
(d) H. S. Glbl Ptfl Jap. Eq. Y 941.00
(d) H. S. Glbl Ptfl Euro Eq. DM 10.31
(d) H. S. Glbl Ptfl St.Fix.Int. £ 9.42
(d) H. S. Glbl Ptfl Eu.Fix.Int. DM 9.29
(d) H. S. Glbl Ptfl Glbl. Eq. $ 9.59
(d) H. S. Glbl Ptfl Glbl. Bond $ 9.61
(d) H. S. Glbl Ptfl Glbl. Mgd. $ 9.37
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 15.22
(d) CSF (Balanced) SF 34.42
(d) European Equity Fund DM 21.08
(d) Intnl. Bond Fund $ 12.65
(d) Int. Currency U.S.Manag'd $ 28.09
(d) ITF Fd (Technology) $ 23.86
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 27.98
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 81.57
(w) Iam Bonds Fund-France FF 597.21
(w) Iam Bonds Fund-Deutschl DM 222.84
(w) Iam Bonds Fund-Japan Y 10,500.00
(w) Iam Bonds Fund-Switz. SF 226.64
(w) Iam Bonds Fund-U.S.A $ 106.22
(w) Iam Bonds Fund-Europe ECU 119.38
(w) Iam Bonds Fund-Netherl. FL 198.64
(w) Iam Europe global ECU 105.65
(w) Iam Europe luxe ECU 110.54
(w) Iam Europe 90/10 ECU 105.68
(w) Iam Europe 1992 ECU 112.04
(w) Iam Europe du Sud ECU 112.19
INTERSELEX GROUP
(d) Int.America Fund $ 17.73
(d) Int.Belga Fund LF 3189.00
(d) Int.Europa Sicav LF 6950.00
(d) Int.Pacific Fund $ 1074.78
(d) Int.World Fund $ 97.41
ITALFORTUNE INTL. FUNDS.
(w) Class A (Aggr.Growth Ital.) $ 53.00
(w) Class B (Global Equity) $ 10.81
(w) Class C (Global Bond) $ 10.82
(w) Class D (Ecu Bond) ECU 9.87
ISLAMIC MGMT FUND LTD. $ 1142.48
CSFB Fund Mgmt Ltd (0481-713996)
PB122 St. Peter Port,Guernsey
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 27139.00
(d) J.F Pacific Sec. Trust $ 28.37
(d) J.F Pacific Income Trust $ 91.81
(d) J.F Hong Kong Trust $ 81.22
(d) J.F European $ 13.87
(d) J.F International $ 15.23
(d) J.F Glb Convertibles Trust $ 13.24
KIDDER,PEABODY & Co.Incorporated.
(b) Chesapeake Fund Ltd. $ 1264.40
(b) Stonehenge Ltd. $ 1057.15
KLEINWORT BENSON SELECT FUND
(d) British Fund ECU 1.87
(d) Emerging Asia Fund ECU 2.028
(d) European Fund ECU 2.08
(d) Japanese Fund ECU 1.95
(d) International Fund ECU 1.90
(d) North American Fund ECU 1.86
(d) Pacific Fund ECU 1.98
LIPPO ASIA LIMITED
(w) Java Fund $ 10.71
LLOYDS BANK PLC, POB 438, Geneva 11
Mr. Peter King, 41 (22) 3073333/ext. 3394
+(w) Lloyds Int'l Dollar $ 110.60
+(w) Lloyds Int'l Europe SF 200.40
+(w) Lloyds Int'l Growth SF 215.00
+(w) Lloyds Int'l Income SF 261.50
+(w) Lloyds Int'l N. America $ 175.90
+(w) Lloyds Int'l Pacific SF 195.10
+(w) Lloyds Intl. Smaller Cos $ 18.73
MAN INTERNATIONAL FUTURES
(m) Alobal Mint Gtd.Fund.Ltd. $ 185.94
(m) Mint Limited - Ordinary $ 42.88
(m) Mint Limited - Income $ 15.38
(m) Mint Gtd Ltd - Spec Issue $ 21.07
(m) Mint Gtd Ltd - Series A $ 22.92
(m) Mint Gtd Ltd - Nov 1993 $ 20.15
(m) Mint Gtd Ltd - Jan 1994 $ 16.26
(m) Mint Gtd Ltd - Dec 1994 $ 14.21
(m) Mint Gtd Ltd - Aug 1995 $ 11.54
(m) Fbme Mint Gtd Plc $ 123.12
(m) Mint Sp Res Ltd (BNP) $ 110.69
(m) Newcastle Guaranteed Ltd $ 11.94
MAGNUM FUTURES FUND LTD.
(m) Deutschemark Class DM 20.25
(m) Sterling Class £ 4.14
(m) U.S Dollar Class $ 9.13
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) Iberia portfolio $ 12.25
(d) Multi-Curr. Bond Portfolio $ 15.16
(d) U.S.A Income Portfolio $ 9.28
(d) US Federal Securities $ 9.64
(d) World Nat Res Pfl. Share A $ 11.22
(d) World Nat Res Pfl. Share B $ 11.10
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Pfl. $ 11.42
(d) Canadian Dollar Ptfl. C$ 10.04
(d) Deutschmark Portfolio DM 9.88
(d) Pound Sterling Portfolio £ 10.44
(d) US Dollar Portfolio $ 11.08
(d) Yen Portfolio Y 982.00
M. LYNCH MLT.NAT'L INV PFL-EQ
GLOBAL EQUITY PORTFOLIO
(d) Class A $ 10.89
(d) Class B $ 10.72
CONVERTIBLE SECURITIES PTFL.
(d) Class A $ 11.49
(d) Class B $ 11.46
BASIC VALUE PORTFOLIO
(d) Class A $ 10.14
(d) Class B $ 10.11
MIM BRITANNIA,POB 271,St. Helier, Jersey
(d) Amer. Inc. & Growth $ 1.312*
(d) Asia Super Growth Fund $ 14.69
(d) Dollar Man.Curr $ 14.01*
(d) Dollar Man. Port $ 2.323
(d) Gold & Prec. Metals £ 0.940
(d) Gld. N.W. 1994 $ 8.23
(d) Int.High Income $ 2.410*
(d) Japan Dollar Perf. Fd $ 4.126
(d) Jersey Gilt £ 0.1780
(d) Nippon Warrant Fund $ 20.41
(d) Okasan Global Strat $ 18.49
(d) Pioneer Markets £ 3.189
(d) Sterling Man.Port £ 1.817
(d) Sterling Man. Curr. £ 17.14
(d) U.K. Growth £ 1.055
NIMARBEN
(w) Class A $ 783.08
NMB BANK,PO 1800,1000 BV Amsterdam.
(w) The Brazil Fund $ 1.273
(w) NMB Dutch Fund FL 42.90
(d) NMB Real Estate Fund. FL 36.90
(d) NMB Euromix Fund LF 2.090
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 9.97
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 11.39
OBLIFLEX LIMITED
(w) Multicurrency $ 21.76
(w) Dollar Medium Term $ 17.17
(w) Dollar Long Term $ 15.91
(w) Japanese Yen $ 22.94
(w) Poud Sterling £ 15.75
(w) Deutsche Mark DM 12.52
(w) Dutch Florin FL 12.75
(w) Dutch Florin Multi. FL 18.33
(w) HY Euro. Currencies ECU 10.35
(w) HY Euro.Curr.Divi.Pay. ECU 10.36
(w) Swiss Franc SF 10.73
(w) Swiss Franc Divi. paying SF 10.65
(w) US Dollar Short Term $ 10.27
(w) Swiss Multicurrency SF 11.57
(w) European Currency ECU 14.25
(w) Convertibles $ 11.82
(w) French Franc FF 103.84
(w) Swiss Multi-dividend SF 9.11
OLYMPIA Capital Intl.,BVI
c/o OCM, 17 ave. George V, 75008 Paris
tel.: 33-1-47230374
(w) Finsbury Group $ 132.90
(w) Winchester Capital $ 108.92
(w) Winchester Frontier $ 225.26
(w) Winch.Hold.-Intl.SerD ECU 1,192.16
(w) Winch.Hold.-Intl.SerF ECU 1,175.40
(w) Winchester Hold.-US$ $ 15.77
(m) Winch.Reser.Multi.Gvbd $ 12.37
(m) Winch.Fut.Divers. $ 16.10
(m) Winch.Fut.Orion $ 17.98
PARIBAS-GROUP
(d) Belux Fund LF 11,552.00
(d) Cortexa International $ 135.82
(d) Ecupar ECU 1,408.97
(d) Luxor $ 7.96
(d) Moneyflow LF 10,045.00
(d) Parinter Fund $ 239.19
(d) Par US Treas. Bond 'Cl. B' $ 156.62
(d) Europhenix ECU 197.07
(d) Parinter Bond Fund $ 13.25
(d) Paribas-Rente 'A' LF 1,219.00
(d) Paribas-Rente 'B' LF 1,408.00
(d) Parvest Obli-Franc 'A' $ 1,320.73
(d) Parvest Obli-Franc 'B' $ 1,320.73
(w) Parsest SF 934.48
(w) Parvest Obli-DM 'A' DM 1,178.46
(w) Parvest Obli-DM 'B' DM 1,315.23
(w) Obligestion SF 86.54
(w) Parvest Obli-Dollar 'A' $ 1,141.72
(w) Parvest Obli-Dollar 'B' $ 1,322.80
(w) Parvest Obli-Yen 'A' Y 106,573.00
(w) Parvest Obli-Yen 'B' Y 116,322.00
(w) Parvest Obli-Gulden 'A' FL 968.64
(w) Parvest Obli-Gulden 'B' FL 1,110.63
(w) Parsuisse SF 1,410.87
(w) Parjapon Y 3,648.00
PERMAL GROUP
(m) Drakkar Growth $ 2173.99
(m) EuroMir (ECU) Ltd. ECU 1022.80
(m) Media Ltd. $ 874.37
(m) Nascal Ltd $ 1442.44
(m) Special Opportunities Ltd $ 1729.90
(m) Updyke Ltd $ 264.32
(m) Value N.V. $ 2037.65
PIERSON,HELDRING & PIERSON N.V.
Rokin 55, 1012kk. Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 36.38
(w) Asian Selection Fd. N.V. FL 52.54
(w) DP Amer. Growth Fd N.V. $ 27.69
(w) Eur. Growth Fund N.V. FL 66.24
(w) Japan Diversified Fund $ 46.72
(w) Leveraged Cap Hold $ 354.37
(w) Tokyo Pac. Hold. N.V. $ 265.71
PIONEER GROUP
(d) Pioneer Fund $ 22.88
(d) Pioneer II $ 18.59
PUTNAM
(d) Emerging Hlth Sc. Trust $ 20.55
(w) Putnam Em. Info. Sc. Tr $ 16.65
(d) Putnam Glob. High Growth $ 14.24
(d) Putnam High Inc.GNMA Fd $ 9.35
(d) Putnam Int'l Fund $ 12.66
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 100.10
(d) Rolinco FL 101.00
(d) Rorento FL 59.70
(d) Rodamco FL 80.78
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Sea) $ 193.89
ROYAL B. CANADA,POB 246,GUERNSEY
+(w) RBC British Fund Ltd. £ 5.348
+(w) RBC Canadian Fund Ltd C$ 13.90
+(w) RBC European Fund $ 14.18
+(w) RBC Far East&Pacific Fd $ 47.25
+(w) RBC Int'l Capital Fd $ 62.30
+(w) RBC Int'l Bond Fund Ltd. $ 12.83*
+(d) RBC Man.Currency Fd $ 39.80
+(w) RBC North Amer. Fd $ 15.61
ROYAL TRUST ASSETMIX FUND
Lux.Tel:(352)489061
EQUITY FUNDS
(d) Alpha UK £ 1.28
(d) Alpha US$ $ 1.48
(d) Alpha Worldwide SF 4.91
(d) Alpha Japanese Y 1009.00
(d) Alpha Pacific Rim $ 1.44
(d) Alpha European ECU 1.32
(d) Gold Share $ 1.04
BOND FUNDS
(d) Sterling Pound £ 105.65
(d) US$ Bond US$ 110.75
(d) Deutschmark Bond DM 48.41
(d) Alpha Worldwide SF 52.32
RESERVE FUNDS
(d) Sterling Reserve £ 12.317
(d) US$ Reserve $ 11.246
(d) Deutschmark Reserve DM 10.942
SHEARSON LEHMAN HUTTON
(d) Oporto Growth Fund $ 8.25
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 12.95
(w) Equity Intl Inc $ 11.73
(d) Equity Global $ 1.29
(w) Equity Far East $ 2.09
(w) Equity Gold $ 0.82
(w) Equity Japan Y 133.00
(d) Equity Nordic $ 1.56
(d) Equity U.K. £ 1.18
(d) Equity Continental Europe $ 1.44
(d) Equity Mediterranean $ 1.28
(d) Equity North America $ 1.28
(d) Bond DEM DM 0.97
(d) Bond Intl Acc $ 8.37
(d) Bond Intl Inc $ 6.46
(d) Bond Sweden SEK 10.47
(d) Bond Dollar $ 1.01
(w) High Income Acc $ 1.16
(w) High Income Inc $ 0.98
(w) Multicurrency $ 1.2109
SOCIETE GENERALE GROUP
(w) Sogelux Fund (SF)
(w) SF Bonds A U.S.A $ 12.14
(w) SF Bonds B Germany DM 22.72
(w) SF Bonds C France FF 89.01
(w) SF Bonds D Switz. SF 28.00
(w) SF Bonds E G.B. £ 8.54
(w) SF Bonds F Japan Y 1639.00
(w) SF Bonds G Europe ECU 12.34
(w) SF Bonds H World Wide $ 12.32
(w) SF Bonds J Belgium BF 586.00
(w) SF Eq. K North America $ 12.93
(w) SF Eq. L W. Europe ECU 13.82
(w) SF Eq. M Pacific Basin YEN 1710.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 14.24
(w) SF Equities Q Gold Mines $ 11.31
(w) SF Equities R World Wide $ 13.045
(w) SF Short Term S Francs FF 121.03
(w) SF Short Term T Eur. ECU 11.85
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc. $ 104.75
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse,L-2330 Luxembourg
(b) SHB Bond Fund $ 44.90
(w) Svenska Select.Fd Intl Sh. $ 56.03
(w) Svenska Select.Fd America Sh $ 13.05
(w) Svenska Select.Fd Asia Shares $ 8.90
(w) Svenska Select.Fd Germany DM 10.54
(d) Svenska Sel.Fd Intl Bd.Sh. $ 10.29
(d) Svenska Sel.Fd Nordic Shs $ 12.38
(d) Svenska Sel.Fd S/T Ass.Sh $ 10.33
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor $ 306.46
(d) AngloValor £ 185.92
(d) Asia Portfolio SF 627.04
(d) Convert Bond Selection SF 96.16
(d) Dollar Bond Selection $ 133.19
(d) D-Mark Bond Selection DM 106.80
(d) Ecu Bond Selection ECU 96.56
(d) Florin Bond Selection FL 110.71
(d) FrancoValor FF 1911.33
(d) GermaniaValor DM 571.47
(d) Gold Portfolio SF 360.93
(d) ItalValor Lit 511214.00
(d) Japan Portfolio Y 35057.00
(d) SBC Ecu MMF. ECU 2714.95
(d) SBC £ MMF. £ 2014.52
(d) SBC Yen MMF. YEN 501,861.00
(d) SBC US$ MMF. $ 6112.22
(d) SBC 100 Index Fund SF 1284.00
(d) SBC Sfr Bond A/B SF 1046.90
(d) Sterling Bond Selection £ 102.54
(d) Sw. Foreign Bond Selec. SF 101.22
(d) Swissvalor SF 487.75
(d) Universal Bond Select. SF 72.73
(d) UniversalFund SF 117.95
(d) Yen Bond Selection Y 11232.00
TEMPLETON W.WIDE INVESTMENTS
(d) GROWTH PORTFOLIO
(d) Class A-1 $ 10.67
(d) Class A-2 $ 10.97
(d) Class A-3 $ 10.81
(d) Class B-1 $ 10.60
(d) Class B-2 $ 10.90
(d) INCOME PORTFOLIO
(d) Class A $ 10.43
(d) Class B $ 10.39
TERMINVEST Tel: 40.78.92.89
(m) Dual Fut. Fd.. cl. D Units $ 99.68
(m) Galaxy Futures Fd.. Ltd. $ 110.34
THORNTON MANAGEMENT LTD.
(d) Thornton Int opps.fund $ 2.14
(d) Pacific Invt. Fd. S.A. £ 10.98
(d) Pac.Invt. Fd. SA DM 32.16
(d) Pac.Invt. Wrnts Fd.S.A. DM 17.52
(d) Pac.Invt. Warrants Fd.S.A. £ 5.98
(d) Thornton Kangaroo Fd Ltd. $ 9.89
(d) Thornton HK & China $ 14.87
(d) Thornton Japan Fund Ltd $ 35.27
(d) Thornton OrientLinc. Fd Ltd $ 24.92
(w) Thornton Phil. Redev. Fd $ 36.17
(d) Thornton Tiger Fund Ltd $ 24.68
(d) Thor.Pacific Tech.Fd Ltd $ 10.37
(d) Thor.Litl. Dragons Fd Ltd $ 28.27
(d) Thor.Golden Opport.Fd $ 5.18
(d) Eastern Crusader Fund. $ 11.05
(w) The Global Access Fund. $ 9.6
NEW TIGER SEL. FUND
(d) Thailand $ 12.91
(d) Malaysia $ 10.24
(d) Indonesia $ 9.58
T. Rowe Price Associates inc.
(m) T. Rowe Price Frontier Ltd. $ 10.35
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27963
(d) Amer Spec Sits $ 47.78
(d) Eurobond $ 28.91
(d) Mortgage C$ 13.99
(d) Overseas $ 29.10
(d) Tiger $ 47.16
(d) High Yield Bond £ 61.90
(d) Marunouchi £ 88.40
(d) Far Eastern £ 604.70
(d) Gilt £ 511.30
(d) Mgd Currency-Dollar $ 1.263
(d) Mgd Currency-Stlg £ 114.10
(d) 1992 £ 303.90
(d) Wall Street £ 246.30
(d) HI Inc Gilt & Buildog £ 96.50
UEBERSEEBANK, ZURICH
(d) B-FUND SF 942.75
(d) M-FUND SF 1073.07
(d) E-FUND SF 591.79
(d) J-FUND SF 380.79
(d) M-Distribution SF 99.51
(d) UBZ Euro-Income Fund SF 9.39
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 39.00
(d) Bond-Invest SF 57.00
(d) Brit-Invest Shares SF 782.00
(d) D-Mark-Invest Bds DM 202.30
(d) Dollar-Invest Bds $ 113.75
(d) ESPAC Spanish sh SF 216.00
(d) Eurit SF 370.00
(d) Fonsa Swiss Sh. SF 234.50
(d) Francit Shares SF 234.50
(d) Germac Shares SF 274.00
(d) Globinvest Shares SF 109.00
(d) Gold Invest Shares SF 209.00
(d) Holland-Invest Sh. SF 242.50
(d) Itac Shares SF 235.50
(d) Japan-Invest Sh. SF 1297.50
(d) Sima (stock price) SF 228.50
(d) Skandinavien-Invest SF 300.00
(d) UBS Money Mkt Inv. £ 1053.73
(d) Yen-Invest Bonds YEN 84,911.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 36.60
(d) Unifonds DM 41.00
(d) Unirak DM 82.95
(d) Unizins DM 106.85
THE UNIVERSAL GROUP OF FUNDS
(d) Univers Sav Amer C$ 9.88
(d) Univers Sav Equity C$ 11.20
(d) Univers Sav Global C$ 5.61
(d) Univers Sav Pacific C$ 9.67
(d) Univers Sav Nat. Res C$ 5.58

### Other Funds

(b) Abacus Guart.Fd.Mar.'94' $ 10.21
(r) Acticroissance $ 516.53
(d) Actifinance Intl $ 1876.65
(w) Actigestion FF 1244.46
(w) Activest Intl $ 23.57
(w) Annabel FL 71.50
(w) Aquila International Fund $ 300.63
(w) Ariane $ 3,854.77
(d) Asia Oceania Fund $ 10.30
(m) Associated Investors Inc. $ 775.53
(m) Atlantic Fund $ 85.02
(d) Atlas Fund SF 111.82
(r) Australia Fund $ 14.53
(d) BDD Inv Fund-Ecu Bd ECU 5180.58
(w) BEM International $ 5.50
(d) Berg Norden Sicav $ 160.97
(w) Berg Trust Sicav $ 135.61
(w) Berg Trust Sicav Switz. SF 163.19
(w) Bergen Int'l Fund $ 11.48
(w) Bever Beleggingen++ $ 25.50
(w) Bondselex-Issue Pr. SF 103.35
(d) Bristol $ 940.00
(m) J Capel guaranteed Fund $ 9.97
(w) CMI Investment Fund $ 1408.11
(w) Cash Gestion FF 10908.08
(d) CB German Index Fund DM 143.76
(m) Cleveland Offshore Fd. $ 29.47
(w) Columbia Securities FL 113.66
(m) Commod. Gtd. Fund/USA $ 3.81
(d) Conqueror Fund Ltd $ 88.50
(w) Convert. Fd. Int'l A Certs $ 17.42
(w) Convert. Fd. Int'l B Certs $ 58.68
(w) Cumber Intl N.V. $ 250.48
(w) Daiwa Japan Fund Y 9185.00
(w) D.G.C. $ 213.16
(d) D-mark-Baer Bond Fd. DM 974.00
(d) Dollar-Baer Bond Fd $ 1132.00
(d) D. Witter Wld Wide Ivt Tst. $ 25.96
(d) Dreyfus America Fund $ 37.97
(d) Dreyfus Fund Intl. $ 67.21
(w) Dreyfus Intercontinent $ 11.87
(m) Dumenil Arbitrage Fd NV $ 871.97
(d) Emi Germ. Ind Plus(A) DM 104.03
(d) Emi Germ. Ind Plus(B) DM 104.03
(d) Emi France Ind Plus(A) FF 978.24
(d) Emi France Ind Plus(B) FF 978.24
(d) Emi Uk Index Plus (A) £ 100.82
(d) Emi Uk Index Plus (B) £ 100.82
(d) Emi Belg. Index Plus(A) BF 9,843.00
(d) Emi Belg. Index Plus(B) BF 9,843.00
(d) Equicurrency (DOM) ECU 1.24
(w) Esprit Sicav ECU 1349.01
(w) Espir. Sto Inv M Sth Eur Fd $ 12.37
(d) EURASUD FF 1147.33
(d) Europe Obligations ECU 74.42
(d) Europe 1992 $ 11.61
(m) Fatum Fund $ 1005.26
(w) Fairfield Int'l Ltd. $ 150.00
(w) Fairfield Strat. Ltd. $ 60.00
(d) First Eagle Fund $ 38,520.63
(m) First Frontier Funds $ 91.64
(m) F.I.T. Fund ff FF 113.23
(d) Fondiitalia $ 91.16
(w) Fonselex Issue Pr. SF 179.30
(d) Forexfund Limited $ 8.97
(w) Formula Selection Fd. SF 74.86
(d) Frankl-Trust Eff. Fd DM 181.21
(d) Frankl-Trust Interzins DM 39.63
(m) Gems Progressive Fd Ltd. $ 965.43
(w) George V INV. BOND F. $ 21.77
(m) German Sel. Associates DM 2289.51
(d) Green Line France FF 735.55
(d) Guardian $ 940.00
(w) Haussmann Hldgs. N.V. $ 311.19
(w) Hestia Funds $ 156.46
(w) Horizon Fund $ 1757.48
(w) Ibex Holdings Ltd. SF 180.54
(w) IFDC Japan Fund YEN 41,405.00
(r) ILA-IGB $ 6.51
(r) ILA-IGS $ 9.97
(m) IncAmerica N.V. $ 14.95
(m) IncAsia N.V. $ 9.97
(w) Inpremet $ 10.49
(w) Interecu Fund 'A' ECU 1043.72
(w) Interecu Fund 'B' ECU 249.45
(m) Interface Fund Ltd. $ 149.22
(d) Interfond SA $ 48.40
(w) Intermarket Fund $ 426.19
(r) Int'l Securities Fund $ 29.00
(w) Intersec SA $ 4362.92
(d) Investa DWS DM 84.71
(d) Investmentor Fund $ 100.79
(m) Japan Selection Asses. Y 11,877.00
(w) Japan Pacific Fund $ 255.49
(w) Japan Res.Growth F. Yen 1042979.00
(w) Japan Selection Fund $ 224.86
(d) JJ Placement FF 11769.42
(d) Kenmar L/C $ 10.00
(d) Kenmar Guarantee $ 10.00
(w) Kenmar Intl - B $ 9351.00
(m) Key Hedge Fund Inc. $ 104.08
(w) Kleinwort Bens. Jap. Fd. $ 248.54
(d) KML-II H.Yield 29/06/90 $ 717.46
(w) Korea Growth Trust $ 32.93
(w) LACO International $ 7.07
(w) Leumi Val.Francaises FF 1051.74
(w) Liberty Offshore Fund $ 107.44
(d) Liquibaer $ 1892.00
(m) London Portfolio G'td. I. $ 86.33
(m) London Portfolio G'td. II. $ 8.36
(w) Luxfund $ 112.23
(m) Lynx Sel.Holdings SF 135.84
(m) MCM Int. Limited $ 136.50
(w) Moore Global Invts. Ltd. $ 1,275.74
(w) MLMorgens Lv H.Y.Inv.NV $ 9.46
(d) Mediolanum Sel. Fd. $ 48.54
(d) NCA FUND $ 12.66
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 206.96
(w) NMT Citadel Bond SF 109.94
(w) NMT Nastec Portfolio s/s $ 118.79
(d) NM Inc. & Growth Fund $ 16.60
(d) Nomura-Cap Int Eq Fd $ 15.00
(d) Nordmix Lit 11984.00
(m) Nova Plus Fund I Ltd. $ 1000.00
(w) Noveurope ECU 3316.38
(w) NSP F.I.T. $ 280.61
(m) Oppenheimer U.S.Arb. $ 124.38
(w) Optimum Fund $ 1,333.60
(m) Overlook Performance $ 1213.84
(d) Pacific Nies Fund $ 9.47
(w) PAM Futures Trad. $ 458.15
(w) Pancurri Inc. $ 154.15
(m) Paragon Fund Limited $ 9.64
(d) Pro Traders Judgement $ 89.90
(w) Prosp. I.H.Inc.P.F 22/06/90 $ 5.55
(w) Putet-Mahe Barclays Pac. $ 198.18
(w) Quantum Fund N.V. $ 14,579.57
(w) Res.(Guernsey) Dol.Inc.Id $ 9.78
(d) SAGA Ameriques FF 830.09
(d) SAGA Court Terme FF 1141.37
(d) SAGA France Sicav FF 506.18
(d) SAGA Long T.Capital. FF 1057.29
(d) SAGA Opportunites FF 898.59
(d) SAGA Premiere FF 1134.29
(w) Samurai Portfolio SF 302.00
(d) Sanyo Kle.Spain Fd $ 12.36
(d) Sarakreek Holding n.v.*++ $ 29.00
(m) Scimitar Guaranteed $ 7.85
(m) Scimitar Guar.Cur.Fd. $ 10.00
(d) SCI/Tech. SA Luxembourg $ 21.09
(w) SP International S.A. $ 5157.15
(m) SLH Guar. F.F.I. $ 915.20
(d) Strat Int'l Gold Fund S.A $ 6.86
(w) Sussex Silverman $ 1096.00
(w) Techno Growth Fund SF 64.85
(d) Templeton Glob Inc. $ 9.55*
(m) The Petrus Fund Ltd. $ 1.15
(m) TIIC(O.T.C)Jap.fd Sicav $ 18.44
(w) Transpacific Fund Y 37814.00
(d) Trilon Offshore Class A $ 910.69
(d) Trilon Offshore Class B $ 856.43
(d) Tudor B.VI Futures.LTD $ 5611.91
(w) Turquoise Fund $ 229.13
(w) Tweedy,Browne n.v.Cl.A $ 3461.93
(w) Tweedy,Browne n.v.Cl.B $ 1790.15
(m) Tweedy,Browne (U.K.) n.v. $ 1371.27
(d) Unico Inv.Fund DM 71.79
(d) Unico Equity.Fund DM 46.97
(d) Uni Bond Fund ECU 1552.61
(r) Uni Capital Fund $ 1714.04
(m) Unitrad FF FF 10,591.61
(m) Unitrad SF SF 1,049.75
(m) Unitrad $US $ 1,038.38
(d) Univers Bonds DM 133.56
(w) Vanderbilt Assets $ 16.34
(m) Victor Futures Fund $ 187.00
(d) Victoria Holdings Limited $ 87.50
(w) Willerbond Capital $ 14.80
(w) World Fund S.A. $ 11.78
(d) World Balanced Fund S.A. $ 12.32
(w) Worldwide Securities $ 38.48
(w) Worldwide Special $ 915.09
(m) Zweig Int'l Ltd $ S/S 9,865.00

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; # - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

# China Says Inflation Is Controlled

*Compiled by Our Staff From Dispatches*

BEIJING — Prime Minister Li Peng of China was quoted Wednesday as saying that inflation had been brought under control and that this would allow for "appropriate" economic expansion.

At the same time a Chinese economic official was quoted as saying that China's inflation rate has hit a two-year low and is expected to remain at or below 10 percent during 1990.

Fang Zhipeng, an official with the Economic Coordination Bureau, said retail prices increased by about 3 percent during the first five months of the year.

The official People's Daily newspaper quoted Mr. Li as saying that he favored moderate growth but vigilance was needed against overheated expansion.

"Inflation has been brought under control and the pace of industrial production is beginning to pick up," he was reported as saying at a meeting with a delegation from the Soviet Commission on Economic Reform.

"It will be possible to complete this year's development program of the national economy while maintaining an appropriate growth rate," Mr. Li said.

He did not say what appropriate growth was. Industrial output grew 8.3 percent last year and 20.8 percent in 1988.

Retail prices rose 17.8 percent in 1989, according to official statistics. Western experts said the figure indicated a real inflation rate of 20 to 30 percent.

In 1988, inflation reached a record 18.5 percent. *(Reuters, AFP)*

# Australia Fears a Recession

*Reuters*

SYDNEY — The Australian manufacturing industry believes it is now in a recession that will persist well into the 1991 fiscal year unless interest rates are eased soon, a survey showed Wednesday.

The survey, by the State Bank of New South Wales and the Australian Chamber of Manufacturers, found that high rates, a declining building industry and weak domestic demand had pushed the manufacturing sector into a serious slump, the State Bank's chief economist, Kim Hawtrey said.

A dramatic fall in profits had cut investment in plant and equipment to levels not seen since late 1986, he said, adding that the drop is not expected to hit bottom until the next quarter.

"All the major indicators — general business conditions, production, sales, orders and profitability — continued to record strong negative results with continued tough conditions expected in the September quarter," Mr. Hawtrey said.

"The big question is how long it will take for this to translate into higher unemployment," he said.

Mr. Hawtrey said economic data showed some sectors of the economy were buoyant but others had suffered a severe downturn. He described 1990 as a year of "rolling recession."

Separately, Westpac Banking Corp. said it expects cuts in Australian interest rates soon after the August budget, and further cuts in 1991.

"Evidence of weaker spending and rising unemployment should motivate the authorities to allow further falls in short-term rates soon after the federal budget, and also in 1991," Westpac said in a report.

It said an expected tightening in fiscal policy after the budget would ease the burden of monetary policy.

The bank forecast that key bank lending rates would fall to around 12 percent next year from about 15 percent currently.

"The task allotted to monetary policy has been made harder by the expansionary fiscal policy of the past 12 months" because of sizable tax cuts in July 1989 and the significant increase in spending," Westpac economists said.

There had been a fall in the annual growth rate for credit to 12.6 percent in April from 22.2 percent in the year to April 1989, and it should fall to about 8 percent before the year is out, the economists said.

The government's report that gross domestic product expanded by 1.8 percent in the three months ended in March did not reflect the economy's actual state, they said.

A technical recession had been avoided only by a sharp expansion in government spending, they said.

# Victoria Bond Market Hit By Building Society Crash

*Reuters*

SYDNEY — The collapse of the largest building society group in the state of Victoria has set off a flurry of sales in state-government bonds and dealt a further blow to the state's public borrowing authorities, market analysts said Wednesday.

The failure of Farrow Group will force up the state's borrowing costs and make for volatile trading in bonds already issued, they said.

"It's not going to settle down in a hurry," said Peter Bellomo, deputy general manager of Victorian Public Authorities Finance Agency, known as Vicfin.

Analysts said the state's bonds, which account for about 9.8 billion Australian dollars ($7.5 billion) of a total of 32 billion dollars of actively traded quasi-government issues, are looking for a new trading range.

Dealers said yields on Vicfin 1992 bonds were 23 points above the New South Wales Treasury Corp. benchmark of around 14.50 percent on Wednesday, after rising 26 points on Tuesday.

"I thought last week it had gone too far and now it's up another five points," Mr. Bellomo said.

Vicfin, the state's biggest borrower, operates a financing program on behalf of 37 state authorities.

State Premier John Cain has guaranteed about 1.3 billion dollars in unsecured deposits in Farrow Group's three building societies, closed by a government-appointed administrator.

He has not yet made clear how much the guarantee will cost or where the money will come from. The state treasurer, Tom Roper, said Victoria may have to borrow it.

Yields on the state's bonds are likely to range between 16 and 22 points above benchmarks, said Robert Credaro, analyst of Macquarie Bank. "It probably won't settle down for a couple of weeks, until the Victorian Government comes out with something concrete on how they are going to pay for Farrow," he said.

The next round of borrowings by the state will not be announced until after the federal budget next month but Mr. Credaro said the state's borrowing limits for the year to June 1991 are 1.2 billion dollars.

# Thai Inquiry Opens Into Caltex Contract

*Agence France-Presse*

BANGKOK — The Committee on Foreign Affairs of Thailand's Lower House has launched an inquiry into allegations of U.S. government pressure being used to secure an oil refinery contract for Caltex Petroleum Corp.

The inquiry, which opened this week, was set up after some legislators complained about the deal.

The committee deputy spokesman, Sutham Saengprathum, said on Wednesday that early testimony alleged three possible reasons for the government to award the contract to Caltex.

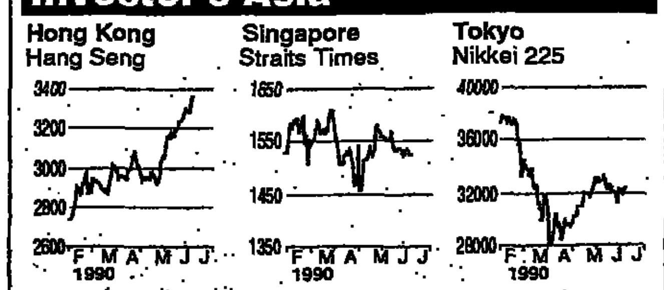
He said that the United States might have put pressure on the government by threatening trade retaliation. In addition, he said some ministers, not involved in energy affairs, are known to have connections with Caltex shareholders. And finally, the government might have reconsidered the complaint by Caltex that its loss of an earlier contract to Royal Dutch/Shell Group was unfair, he said.

In January, Caltex lost a bidding duel with Shell Co. of Thailand to set up the fourth refinery in the southeastern province of Rayong.

On March 6, the cabinet decided to grant Caltex the right to build the country's fifth refinery in the southern province of Nakhon Si Thammarat, citing increased demand for oil products.

The committee will ask government and Caltex representatives to testify next week, the committee spokesman said.

## Investor's Asia




| Exchange | Index | Wednesday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Hong Kong | Hang Seng | 3363.49 | 3356.55 | +0.21 |
| Singapore | Straits Times | 1528.25 | 1524.35 | +0.26 |
| Sydney | All Ordinaries | 1541.10 | 1512.80 | +1.87 |
| Tokyo | Nikkei 225 | 32445.92 | 32414.60 | +0.10 |
| Kuala Lumpur | Composite | 586.39 | 586.36 | +0.01 |
| Bangkok | Book Club | 950.28 | 951.83 | -0.16 |
| Seoul | Composite Stock | 735.30 | 745.04 | -1.31 |
| Taipei | Weighted Price | 4677.18 | 4905.87 | -4.66 |
| Manila | Composite | 837.82 | 852.45 | -1.72 |
| New Zealand | Barclays | 1801.42 | 1779.15 | +1.25 |
| Bombay | National Index | Closed | 438.94 | - |

Sources: Reuters, AFP — International Herald Tribune

# Bonn Expected to Ease China Trade

*Compiled by Our Staff From Dispatches*

BEIJING — West Germany, the only Western industrialized country that still freezes credit insurance in trade with China, is expected to lift the freeze soon, a leading German businessman said in a published interview Wednesday.

Heinrich Weiss, leader of a private industrialists' group focusing on China trade, said he expected Sino-West German trade to be back on track soon, the official New China News Agency said.

Mr. Weiss, chairman of a major steel and machinery concern, led a delegation of the German East-West Trade Committee on a three-day visit to Beijing that ended Wednesday.

After Beijing's military crackdown on dissent last year, Bonn and the other nations suspended soft loans and export credit insurance that guarantees German traders. They also stopped high-level political contacts with China.

All other Western nations have lifted their insurance freezes but maintain other sanctions. Withholding insurance has dampened German exports to China, diplomats said. German exports from January to March this year dropped 10.4 percent, while imports from China increased 31.8 percent, one diplomat said.

But the diplomat said he did not foresee an immediate resumption of export credit insurance, because it was suspended under a parliamentary resolution. A change in the resolution would be necessary first, he said. *(Reuters, AFP)*

### ■ Indonesia to Repay Debt

Indonesia, which is restoring diplomatic relations with China after 23 years, said Wednesday that it will pay $84 million to Beijing in installments to cover old debts, Reuters reported from Hong Kong.

Indonesian Foreign Minister Ali Alatas said after a four-day visit to Beijing that Indonesia would make 30 installments in Swiss francs and British pounds to repay the debt.

His trip was the first high-level visit by an Indonesian official since Jakarta suspended diplomatic ties with Beijing in 1967.

Mr. Alatas did not say when the first payment would be made or over what period the payments would stretch.

# Aquino Sets Budget to Cut Inflation

*Reuters*

MANILA — President Corazon C. Aquino on Wednesday approved a budget for 1991 designed to curb inflation and cut the budget deficit while still maintaining growth, officials said.

Mrs. Aquino will submit a budget of 247.4 billion pesos ($11.2 billion) for 1991 for approval by Congress, increasing spending by 17.9 percent over last year's adjusted budget of 209.8 billion pesos.

The government forecast that the deficit would shrink from 17 billion pesos in 1990 to 1.4 billion in 1991. It said that the annual inflation rate would fall to 9.5 percent by the end of the year from 12.2 percent in June. The budget forecast calls for the economy to grow between 4.8 and 5.2 percent this year, compared with 5.6 percent in 1989.

The budget secretary Guillermo Carague said the proposed budget would maintain spending on key infrastructure while reducing the budget deficit by increasing tax revenues.

"The tax revenue generation of government has been increasing and this is a show of our commitment toward greater fiscal prudence," the finance secretary, Jesus Estanislao added.

The finance department is seeking congressional approval of a tax package that will raise 20 billion pesos a year, officials said.

This would also mean less government borrowing, Mr. Estanislao told reporters, easing pressure on domestic interest rates.

Servicing of both domestic and foreign debt is projected to increase to 76.6 billion pesos next year, compared with 62.4 billion this year.

# RATES: *A Deft Hand in Tokyo*

(Continued from first finance page)

has set a target for the overnight call rate of 7.5 percent, which is 25 basis points, or one-quarter of 1 percent, above its average level in June. Comparing this to a rise of 50 basis points in the discount rate, which the bank charges on loans to commercial banks, Mr. Schoenholtz termed the move "half a discount rate rise."

Why has the bank chosen to act now? Its most immediate motivation appears to have been to tighten policy slightly as the United States confronts its own interest rate dilemma and to brace itself just before German monetary union.

More fundamentally, however, the bank remains as concerned as it was earlier this year about a potential inflation breakout in coming months. Although recently released data have been encouraging, by its own measures the danger of an inflationary surge have not evaporated.

Wholesale prices in the second 10 days of June were up only one-tenth of 1 percent from a year ago, according to the most recently reported statistics. Consumer prices in May showed a year-to-year gain of 2.8 percent, one half of 1 percent lower than the rise recorded in April.

Consumer price activity in June, which is to be released next week, will show the pattern that economists believe will hold for the third quarter. Judging by its recent shift in policy, however, the Bank of Japan sees no need to wait for that.

For one thing, the yen is still not as strong as the central bank would like, and authorities are now waiting for the impact of the currency's first-quarter drop to appear in import prices. For another, unexpectedly strong growth in the first quarter — 10.4 percent annualized — appears to have continued in the second quarter.

Employment is now at its tightest since the mid-1970s, driving salaries up and promising a record summer bonus of 7.6 percent, according to estimates by DB Capital Markets (Asia) Ltd. Finally, money supply is racing ahead at roughly 13 percent, with few signs of restraint in sight.

"I think we're set for another troubled period for the yen," said Kenneth S. Courtis, senior economist in Tokyo at DB Capital. "Of course, the central bank could preempt that by moving with authority to protect the currency's international value."

# WORLD STOCK MARKETS

Agence France Presse July 5

### Amsterdam

| | Close | Prev. |
|---|---|---|
| ABN Bank | 37.60 | 37.70 |
| ACF Holding | 39.90 | 39.90 |
| Aegon | 132.70 | 132.10 |
| Ahold | 145.50 | 147.10 |
| Akzo | 122.60 | 122.40 |
| AMEV | 58.20 | 58.50 |
| A'Dam Rubber | 5.40 | 5.55 |
| Amro Bank | 74.90 | 75.20 |
| Bols | 186 | 185.50 |
| Buhrmann Tett | 73.20 | 73.20 |
| BVG | N.Q. | — |
| Center Parcs | 57 | 57.80 |
| CSM | 84 | 84.10 |
| DAF | 29.60 | 30.50 |
| DSM | 117.90 | 118.10 |
| Elsevier | 91.70 | 91.70 |
| Fokker | 48.20 | 48.10 |
| Gist-Brocades | 34.30 | 34.90 |
| Heineken | 138.50 | 138.70 |
| Hoogovens | 71.40 | 72.40 |
| Hunter Douglas | 93.60 | 95 |
| IHC Caland | 56 | 56 |
| Inter Mueller | 97.50 | 99.20 |
| KLM | 35.70 | 36.20 |
| KNP | 45.80 | 45.90 |
| Nat Neder | 73.90 | 73.70 |
| Nedlloyd | 72.30 | 74.70 |
| NMB Bank | 49.60 | 49.90 |
| Oce Grinten | 60.20 | 61.80 |
| Pakhoed | 202.90 | 203 |
| Philips | 30.90 | 31.50 |
| Robeco | 100.20 | 100 |
| Rodamco | 80.70 | 80.60 |
| Rolinco | 101.40 | 100.30 |
| Rorento | 57.70 | 57.70 |
| Royal Dutch | 139.90 | 140.50 |
| Unilever | 160.50 | 161 |
| Van Ommeren | 44.90 | 45.10 |
| VMF Stork | 55 | 55.10 |
| VNU | 101.50 | 101.50 |
| Wessanen | 74.10 | 75.20 |
| Wolters/Kluwer | 52.90 | 53 |

CBS Gen'l trend index: 120.60
Previous: 121.30

### Brussels

| | Close | Prev. |
|---|---|---|
| AG Fin | 9840 | 9650 |
| Arbed | 5050 | 5250 |
| Barco | 2355 | 2360 |
| Bekaert | 14225 | 14225 |
| Cockerill | 186 | 188 |
| Cobepa | 5420 | 5420 |
| Delhaize | 6460 | 6450 |
| EBES | 3935 | 3935 |
| GB-Inno-BM | 1370 | 1360 |
| GBL | 3970 | 3965 |
| Gevaert | 8470 | 8470 |
| Hoboken | 18775 | 19000 |
| Intercom | 3165 | 3175 |
| Kredietbank | 3940 | 3925 |
| Petrofina | 11850 | 11850 |
| Royal Belge | 5380 | 5400 |
| Soc Gen Bque | 3235 | 3250 |
| Soc Gen Belgique | 3315 | 3320 |
| Sofina | 13525 | 13425 |
| Solvay | 13450 | 13450 |
| Tractebel | 8310 | 8330 |
| UCB | 22750 | 22650 |
| Unerg Ps | 2270 | 2295 |

Current Stock Index: 6274.42
Previous: 6281.62

### Frankfurt

| | Close | Prev. |
|---|---|---|
| AEG | 308.50 | 306.50 |
| Allianz Hold | 2885 | 2830 |
| Altana | 556.50 | 562.50 |
| Asko | 974 | 948 |
| BASF | 268.60 | 270.30 |
| Bayer | 278.50 | 280.60 |
| Bay Vereinsbk | 414 | 401.80 |
| BBC | 950 | 876 |
| BHF Bank | 486 | 483 |
| BMW | 607 | 594 |
| Commerzbank | 293 | 286 |
| Continental | 385.50 | 303.50 |
| Daimler Benz | 851 | 858 |
| Degussa | 482 | 484.30 |
| Dt Babcock | 229.50 | 222 |
| Deutsche Bank | 818.50 | 808 |
| Douglas | 714.50 | 707.50 |
| Dresdner Bank | 449.50 | 434.50 |
| Feldmuehle | 516.50 | 516 |
| Harpener | 468 | 463 |
| Henkel | 664.90 | 648 |
| Hochtief | 1443 | 1435 |
| Hoechst | 264.40 | 263.60 |
| Hoesch | 331 | 332.50 |
| Holzmann | 1695 | 1670 |
| Horten | 268 | 265 |
| IWKA | 415 | 422 |
| Kali Salz | 273 | 271.50 |
| Karstadt | 731 | 720 |
| Kaufhof | 678 | 673 |
| KHD | 285.50 | 280 |
| Kloeckner Werke | 229.20 | 227 |
| Krupp Stahl | 398 | 393 |
| Linde | 1073 | 1040 |
| Lufthansa | 166 | 174 |
| MAN | 478.50 | 475 |
| Mannesmann | 360.50 | 361.50 |
| Metallgesell | 666 | 666 |
| Muench Rueck | 2500 | 2580 |
| Nixdorf | 311 | 308 |
| PKI | 319 | 320 |
| Porsche | 1250 | 1242 |
| Preussag | 455 | 453 |
| PWA | 311 | 313 |
| RWE | 500 | 498.50 |
| Rheinmetall | 447 | 447 |
| Schering | 778.80 | 771.50 |
| SEL | 412 | 394.50 |
| Siemens | 772.50 | 762.70 |
| Thyssen | 291.50 | 288.20 |
| Varta | 384 | 380 |
| Veba | 449 | 446.20 |
| VEW | 225.50 | 224 |
| Viag | 422.50 | 416.70 |
| Volkswagen | 641.50 | 637.50 |
| Wella | 769 | 763 |

DAX Index: 1921.97
Previous: 1906.32
FAZ Index: 814.26
Previous: 807.32

### Helsinki

| | Close | Prev. |
|---|---|---|
| Amer A | 121 | 118 |
| Enso-Gutzeit | 30.50 | 30.80 |
| K.O.P. | 47 | 48 |
| Kymmene | 84 | 83.50 |
| Nokia | 108 | 100 |
| Pohjola | 130 | 130 |
| Stockmann | 185 | 190 |
| United Papers | 132 | 135 |
| Wartsila | 368 | 400 |

Unitas Index: 537.80
Previous: 530.80

### Hong Kong

| | Close | Prev. |
|---|---|---|
| Bk East Asia | 15.60 | 15.95 |
| Cathay Pacific | 9.95 | 9.85 |
| Cavendish Int'l | 3.78 | 3.78 |
| Cheung Kong | 13.10 | 13.10 |
| China Light Pwr | 14.90 | 14.90 |
| Dairy Farm Int'l | 9.90 | 9.95 |
| Hang Lung Dev | 5.80 | 5.80 |
| Hang Seng Bank | 21.70 | 21 |
| Henderson Land | 8.30 | 8.25 |
| HK Air Eng. | 20.40 | 20.50 |
| HK China Gas | 12 | 12.10 |
| HK Electric | 8.80 | 8.80 |
| HK Land | 8.60 | 8.60 |
| HK Realty Trust | 4.95 | 4.90 |
| HK Shang Bank | 6.10 | 6.10 |
| HK Shang Htls | 5.10 | 5.20 |
| HK Telecomm | 6.40 | 4.30 |
| HK Ferry | 5.15 | 5.25 |
| Hutch Whampoa | 12.20 | 12.20 |
| Hysan Dev | 1.35 | 1.34 |
| Jardine Math. | 33.50 | 33.25 |
| Jardine Str Hld | 17.70 | 17.80 |
| Kowloon Motor | 6.75 | 6.70 |
| Mandarin Orient | 6 | 6.05 |
| Miramar Hotel | 6.95 | 6.95 |
| New World Dev | 11.70 | 11.60 |
| SHK Props | 15.20 | 15.30 |
| Stelux | 4.35 | 4.43 |
| Swire Pac A | 20.80 | 20.90 |
| Tai Cheung Pros | 4.28 | 4.28 |
| TVE | 1.03 | 1.04 |
| Wharf Hold | 8.75 | 8.75 |
| Wing On Co | 7.60 | 7.40 |
| Winsor Ind. | 8.60 | 8.55 |
| World Int'l | 4.50 | 4.43 |

Hang Seng Index: 3363.49
Previous: 3356.55

### Johannesburg

| | Close | Prev. |
|---|---|---|
| AECI | 17 | 17.25 |
| Altech | 70 | 70 |
| Anglo Amer | 118.25 | 117.50 |
| Barlows | 37 | 36.75 |
| Blyvoor | 10.50 | 10.50 |
| Buffels | 62.50 | 61 |
| GFSA | 78 | 78 |
| Harmony | 26.50 | 26.25 |
| Highveld Steel | 16.50 | 16.50 |
| Kloof | 38 | 38 |
| Nedbank Grp | 10.45 | 10.20 |
| Rusplat | 98 | 88.50 |
| SA Brews | 39.75 | 40 |
| St Helena | 36 | 36 |
| Sasol | 12.70 | 12.65 |
| Welkom | 23 | 23 |
| Western Deep | 127 | 129 |

Composite Stock Index: 3719
Previous: 3692

### London

| | Close | Prev. |
|---|---|---|
| Allied Lyons | 4.96 | 5.05 |
| Anglo Am Gld | 43.09 | 43.38 |
| AA Corp | 16.53 | 16.31 |
| Asda-MFI Gp | 1.17 | 1.13 |
| Ass Brit Foods | 4.09 | 4 |
| Barclays | 3.85 | 3.85 |
| Bass | 10.85 | 10.93 |
| B.A.T. | 6.37 | 6.45 |
| Blue Circle | 2.36 | 2.40 |
| BOC Group | 5.78 | 5.85 |
| Boots | 2.95 | 2.92 |
| Bowater | 5.30 | 5.28 |
| BAe | 5.18 | 5.32 |
| BAA | 4.31 | 4.34 |
| Brit Airways | 2.11 | 2.10 |
| British Gas | 2.26 | 2.25 |
| BP | 3.17 | 3.19 |
| British Steel | 1.41 | 1.43 |
| Brit Telecom | 3.06 | 3.08 |
| BTR | 4.16 | 4.23 |
| Burmah Oil | 6.45 | 6.43 |
| Cable Wire | 5.57 | 5.55 |
| Cadbury Sch | 3.62 | 3.60 |
| Charter Cons | 4.65 | 4.60 |
| Comm Union | 5.08 | 5.08 |
| Cookson | 1.95 | 2.04 |
| Courtaulds | 3.52 | 3.58 |
| Dalgety | 3.75 | 3.77 |
| De Beers | N.Q. | — |
| Dixons | 1.45 | 1.44 |
| Driefontein | 6.46 | 6.36 |
| Eurotunnel | N.A. | 4.78 |
| Fisons | 3.71 | 3.71 |
| Gen Acc F | 11.20 | 11.35 |
| GEC | 1.96 | 2.03 |
| GKN | 3.97 | 4.08 |
| Glaxo | 8.13 | 8.29 |
| Grand Met | 6.54 | 6.56 |
| Gt Univ Stores | 13.50 | 13.50 |
| GRE | 2.34 | 2.35 |
| Guinness | 7.87 | 7.89 |
| Hanson Tr | 2.33 | 2.35 |
| Hawker Sidd | 6.18 | 6.30 |
| ICI | 11.42 | 11.50 |
| Kingfisher | 3.43 | 3.41 |
| Land Sec | 5.26 | 5.23 |
| Legal Gen Grp | 4.22 | 4.22 |
| Lloyds Bank | 2.83 | 2.80 |
| Lonrho | 2.49 | 2.48 |
| Lucas Ind | 1.45 | 1.49 |
| Marks Sp | 2.36 | 2.35 |
| Maxwell | 1.92 | 1.92 |
| MB Group | 2.11 | 2.11 |
| Midland Bk | 2.96 | 2.88 |
| NatWest | 3.19 | 3.17 |
| Pearson Grp | 7.90 | 7.78 |
| P and O | 6.30 | 6.45 |
| Pilkington | 1.99 | 2.02 |
| Prudential | 2.32 | 2.32 |
| Racal Elec | 2.05 | 2.06 |
| Randfontein | N.Q. | |
| Rank Org | 8.43 | 8.53 |
| Reed Int'l | 4.45 | 4.74 |
| Reuters | 12.77 | 12.87 |
| Rolls Royce | 2.23 | 2.27 |
| Royal Dutch | 42.31 | 42.63 |
| RTZ | 5.58 | 5.65 |
| Saatchi | 0.85 | 0.85 |
| Sainsbury | 2.95 | 2.96 |
| Sears Holds | 0.93 | 0.92 |
| Shell | 4.54 | 4.50 |
| Skbeec | 5.43 | 5.47 |
| STC | 2.41 | 2.45 |
| Std Chart Bk | 4.56 | 4.60 |
| Storehouse | 1.21 | 1.24 |
| Sun Alliance | 3.38 | 3.43 |
| Tate and Lyle | 3.05 | 3.07 |
| Tesco | 2.25 | 2.24 |
| Thorn EMI | 7.82 | 7.78 |
| T.I. Group | 5.03 | 5.07 |
| Trafalgar Hse | 3 | 3.07 |
| THF | 3.10 | 3.10 |
| Ultramar | 3.47 | 3.38 |
| Unilever | 7 | 7.12 |
| Utd Biscuits | 3.59 | 3.57 |
| Vickers | 2.34 | 2.34 |
| War Loan 3½ | 32.83 | 32.63 |
| Wellcome | 6.88 | 6.20 |
| Woolworth | 19.13 | 18.75 |

F.T. 30 Index: 1881.30
Previous: 1886.70
F.T.S.E. 100 Index: 2365.50
Previous: 2371.70

### Madrid

| | Close | Prev. |
|---|---|---|
| Bco. Bilbao/Viz. | 3520 | 3550 |
| Banco Central | 4895 | 4985 |
| Bco. Santander | 5260 | 5150 |
| Banesto | 4725 | 4840 |
| CEPSA | 2190 | 2178 |
| Dragados | 3295 | 3305 |
| Iberduero | 691 | 785 |
| Telefonica | 898 | 873 |

S.E. General Index: 308.10
Previous: 298.09

### Milan

| | Close | Prev. |
|---|---|---|
| Banca Comm | 5200 | 5185 |
| Bastogi | 312 | 316 |
| Cigahotels | 5810 | 5750 |
| CIR | 5351 | 5280 |
| Cred Ital | 2710 | 2685 |
| Enimont | 1495 | 1465 |
| Eridania | 9850 | 9880 |
| Ferruzzi Fin. | 2920 | 2910 |
| Ferruzzi Agr. | 2725 | 2715 |
| Fiat SPA | 9730 | 9790 |
| Generali | 42800 | 42950 |
| IFI | 26775 | 27180 |
| Italcem | 15210 | 15370 |
| Italgas | 2935 | 2960 |
| Italmobiliare | 23200 | 23050 |
| Mediobanca | 20850 | 20950 |
| Montedison | 1995 | 1993 |
| Olivetti | 6300 | 6320 |
| Pirelli | 2650 | 2688 |
| RAS | 25600 | 25900 |
| Rinascente | 7660 | 7730 |
| Saipem | 2690 | 2725 |
| SIP | 1614 | 1620 |
| SME | 4670 | 4650 |
| Snia | 2618 | 2620 |
| Standa | 31550 | 31650 |
| Stet | 6830 | 6870 |
| Toro Assi Risp | 25700 | 25900 |

q: x 100
MIB current index: 1075.79
Previous: 1082.70

### Montreal

| | Close | Prev. |
|---|---|---|
| Alcan Aluminum | 27 | 26½ |
| Bank Montreal | 28¼ | 28 |
| Bell Canada | 39 | 38⅞ |
| Bombardier A | 19½ | 19 |
| Bombardier B | 19⅝ | 19 |
| Cambior | 12⅛ | 12 |
| Cascades | 3.90 | 3.90 |
| Dominion Text A | 12 | N.A. |
| Donohue | 11½ | N.Q. |
| MacMillan Bl | 17⅝ | 18 |
| Memotec | 8¼ | 8¼ |
| Natl Bk Canada | 9½ | 9½ |
| Noverco | 15¼ | 15¼ |
| Power Corp. | 15⅛ | 14⅝ |
| Provigo | 8⅝ | 8¼ |
| Quebec Tel | 14¼ | 14¼ |
| Quebecor A | N.Q. | — |
| Quebecor B | 11½ | 11⅜ |
| Videotron | 13⅝ | 13⅝ |

Industrials Index: 1665.16
Previous: 1668.82

### Paris

| | Close | Prev. |
|---|---|---|
| Accor | 1050 | 1065 |
| Air Liquide | 782 | 788 |
| Avions Dassault | 592 | 592 |
| Bancaire (Cie) | 591 | 611 |
| BIC | 657 | 660 |
| Bongrain | 3364 | 3345 |
| Bouygues | 655 | 656 |
| BSN-GD | 857 | 860 |
| Carrefour | 3590 | 3600 |
| Cerus | 367.40 | 371.50 |
| C.G.E. | 626 | 635 |
| Chargeurs | 1025 | 1031 |
| Club Med | 628 | 644 |
| Dumez | 600 | 608 |
| Elf-Aquitaine | 660 | 664 |
| Europe 1 | 1318 | 1327 |
| Gen. Eaux | 2671 | 2675 |
| Hachette | 334.50 | 340 |
| Havas | 645 | 644 |
| Imetal | 358.50 | 363.50 |
| Lafarge Coppee | 449.50 | 456 |
| Legrand | 4511 | 4540 |
| Oreal (L') | 5490 | 5520 |
| L.V.M.H. | 4412 | 4531 |
| Matra | 262.40 | 263.40 |
| Merlin Gerin | 6290 | 6280 |
| Michelin B | 102.50 | 104.20 |
| Moulinex | 106.50 | 108.50 |
| Occidentale | 765 | 768 |
| Paribas | 637 | 638 |
| Pernod-Ricard | 1199 | 1228 |
| Perrier | 1454 | 1504 |
| Peugeot | 766 | 777 |
| Printemps (Au) | 650 | 649 |
| Radiotechnique | 685 | 718 |
| Raff. St. Louis | 1590 | 1572 |
| Redoute (La) | 3235 | 3215 |
| Roussel Uclaf | 2290 | 2290 |
| Saint Gobain | 571 | 578 |
| Sanofi | 970 | 962 |
| Skis Rossignol | 1045 | 1045 |
| Ste Generale A | 560 | 554 |
| Suez | 421 | 434.50 |
| Telemecanique | 5400 | 5340 |
| Thomson-CSF | 121.70 | 122 |
| Total | 695 | 697 |
| Valeo | 530 | 556 |

CAC 40 Index: 2015.93
Previous: 2031.30

### Sao Paulo

| | Close | Prev. |
|---|---|---|
| Banco do Brasil | 17.40 | 17.50 |
| Bradesco | 1.10 | 1.19 |
| Brahma | 3.25 | 3.28 |
| Paranapanema | 0.85 | 0.86 |
| Petrobras | 142 | 145 |
| Vale Rio Doce | 33.10 | 33.40 |
| Varig | 19.50 | 19.10 |

Bovespa Index: 19,895
Previous: 19,350

### Singapore

| | Close | Prev. |
|---|---|---|
| City Dev. | 3.54 | 3.54 |
| DBS | 12.50 | 12.80 |
| Fraser Neave | 8.65 | 8.70 |
| Genting | 9.40 | 9.25 |
| Harrisons Plant | 1.60 | 1.59 |
| Haw Par | 2.75 | 2.74 |
| Hume | 3.62 | 3.62 |
| Inchcape | 5.15 | 5.15 |
| Keppel | 7.60 | 7.60 |
| KL Kepong | 2.83 | 2.87 |
| Lum Chang | 1.43 | 1.44 |
| Malayan Banking | 8.55 | 8.60 |
| OCBC | 9.45 | 9.55 |
| OUB | 5.40 | 5.35 |
| OUE | 9.30 | 9.50 |
| Sembawang | 7.15 | 7.10 |
| Shangrila | 8.25 | 8.40 |
| Sime Darby | 2.89 | 2.87 |
| SIA | 13.30 | 13.40 |
| S'pore Land | 14.70 | 14.70 |
| S'pore Press | 7.80 | 7.75 |
| Sing Steamship | 3.74 | 3.76 |
| Straits Trading | 3.36 | 3.34 |
| UOB | 6.45 | 6.48 |
| United Overseas | 2.16 | 2.16 |

Straits Times Ind.: 1526.35
Previous: 1531.73

### Stockholm

| | Close | Prev. |
|---|---|---|
| AGA | 330 | 325 |
| Alfa Laval | 280 | 285 |
| Asea | 829 | 820 |
| Astra-A | 555 | 555 |
| Atlas Copco | 380 | N.Q. |
| Electrolux B | 257 | 257 |
| Ericsson | 1400 | 1400 |
| Esselte-A | 228 | 228 |
| Handelsbanken | 135 | 132 |
| Pharmacia-A | 225 | 223 |
| Norsk Hydro | 191.50 | 192 |
| Saab-Scania | 300 | 300 |
| Sandvik | 320 | 325 |
| SCA-A | 130 | 130 |
| S-E. Banken | 83 | 80 |
| Skandia F | 206 | 202 |
| Skanska | 485 | 487 |
| SKF | 184 | 183 |
| Stora | 360 | 364 |
| Volvo | 357 | 340 |

Affaersvaerlden: 1351.90
Previous: 1344.10

### Sydney

| | Close | Prev. |
|---|---|---|
| ANZ | 5 | 4.95 |
| BHP | 9.72 | 9.54 |
| Bond | 0.13 | 0.13 |
| Boral | 3.58 | 3.46 |
| Bougainville | 0.98 | 0.95 |
| Coles Myer | 7.80 | 7.78 |
| Comalco | 4.10 | 4.05 |
| CRA | 12.50 | 12.25 |
| CSR | 5.50 | 5.38 |
| Dunlop | 5.16 | 5.06 |
| Elders IXL | 1.77 | 1.73 |
| ICI Australia | 4.70 | 4.60 |
| Magellan | 1.78 | 1.63 |
| MIM | 2.38 | 2.32 |
| Nat Aust Bank | 6.54 | 6.48 |
| News Corp | 12.30 | 11.90 |
| N Broken Hill | 2.48 | 2.43 |
| Poseidon | 2.15 | 2.10 |
| QCT Resources | 1.42 | 1.40 |
| Santos | 4.22 | 4.17 |
| TNT | 2.76 | 2.61 |
| Western Mining | 4.74 | 4.60 |
| Westpac Banking | 4.88 | 4.72 |
| Woodside | 2.75 | 2.72 |

All ordinaries index: 1541.10
Previous: 1512.80

### Tokyo

| | Close | Prev. |
|---|---|---|
| Akai Electr | 1020 | 1030 |
| Asahi Chemical | 915 | 985 |
| Asahi Glass | 1870 | 1880 |
| Bank of Tokyo | 1460 | 1440 |
| Bridgestone | 1520 | 1510 |
| Canon | 1870 | 1860 |
| Casio | 1580 | 1590 |
| C.Itoh | 825 | 802 |
| Dai Nippon Print | 1880 | 1890 |
| Daiwa House | 2580 | 2600 |
| Daiwa Securities | 1500 | 1500 |
| Fanuc | 7700 | 7820 |
| Fuji Bank | 2600 | 2550 |
| Fuji Photo | 4590 | 4670 |
| Fujitsu | 1440 | 1430 |
| Hitachi | 1490 | 1490 |
| Hitachi Cable | 1210 | 1200 |
| Honda | 1750 | 1750 |
| Ito Yokado | 3940 | 3940 |
| Japan Air Lines | 17900 | 18000 |
| Kajima | 1990 | 1960 |
| Kansai Power | 3430 | 3370 |
| Kawasaki Steel | 571 | 577 |
| Kirin Brewery | 1850 | 1840 |
| Komatsu | 1240 | 1210 |
| Kubota | 1000 | 1030 |
| Kyocera | 8850 | 9080 |
| Matsu Elec Inds | 2150 | 2130 |
| Matsu Elec Wks | 2190 | 2130 |
| Mitsubishi Bk | 2350 | 2340 |
| Mitsubishi Kasei | 745 | 737 |
| Mitsubishi Elec | 965 | 972 |
| Mitsubishi Hev | 1010 | 991 |
| Mitsubishi Corp | 1540 | 1510 |
| Mitsui and Co | 937 | 905 |
| Mitsukoshi | 1760 | 1770 |
| Mitsumi | 1560 | 1530 |
| NEC | 1960 | 1950 |
| NGK Insulators | 1510 | 1510 |
| Nikko Securities | 1250 | 1240 |
| Nippon Kogaku | 1680 | 1690 |
| Nippon Oil | 1330 | 1350 |
| Nippon Steel | 566 | 560 |
| Nippon Yusen | 876 | 880 |
| Nissan | 1080 | 1080 |
| Nomura Sec | 2270 | 2250 |
| NTT (SF) | 10809 | 9985 |
| Olympus Optical | 1560 | 1550 |
| Pioneer | 6350 | 6440 |
| Ricoh | 1120 | 1100 |
| Sanyo Elec | 894 | 892 |
| Sharp | 1850 | 1850 |
| Shimazu | 1200 | 1200 |
| Shinetsu Chem | 1890 | 1880 |
| Sony | 8750 | 8870 |
| Sumitomo Bk | 2430 | 2410 |
| Sumitomo Chem | 670 | 668 |
| Sumi Marine | 1040 | 1030 |
| Sumitomo Metal | 566 | 566 |
| Taisei Corp | 1360 | 1340 |
| Taisho Marine | 1030 | 1040 |
| Takeda Chem | 1710 | 1690 |
| TDK | 7400 | 7500 |
| Teijin | 725 | 728 |
| Tokio Marine | 1370 | 1360 |
| Tokyo Elec Pw | 4190 | 4190 |
| Toppan Printing | 1750 | 1750 |
| Toray Ind. | 780 | 764 |
| Toshiba | 1070 | 1070 |
| Toyota | 2280 | 2300 |
| Yamaichi Sec | 1260 | 1270 |

Nikkei 225: 32446
Previous: 32415
Topix Index: 2363
Previous: 2349

### Toronto

| | Close | Prev. |
|---|---|---|
| Abitibi Price | 16 | 15⅝ |
| Agnico Eagle | 8 | 8 |
| Air Canada | 10 | 10⅛ |
| Alberta Energy | 15⅝ | 15¼ |
| Am Barrick Res | 23⅛ | 23¼ |
| BCE | 39 | 39 |
| BCED | 0.36 | 0.36 |
| Bk Nova Scotia | 14⅛ | 14 |
| BC Gas | 15¼ | 15 |
| BC Phone | 18⅝ | 18¼ |
| BP Canada | 18¼ | 18⅝ |
| Bramalea | 12¼ | 12½ |
| Brunswick | N.Q. | 9⅛ |
| CAE | 6⅝ | 6¾ |
| Campeau | 1½ | 1.40 |
| CIBC | 27⅛ | 26⅝ |
| Canadian Pacific | 20⅝ | 20¼ |
| Can Packers | 10¼ | 10⅛ |
| Can Tire A | 28¼ | 19.80 |
| Cantor | 28⅛ | 28⅝ |
| Cara | N.Q. | 17⅛ |
| CCL Ind B | 9¼ | 9¼ |
| Cineplex | 5⅞ | 6 |
| Cominco | 26⅛ | 25⅞ |
| Conwest Expl A | N.Q. | — |
| Corona A | 7⅝ | 7¾ |
| Denison Min B | 1¼ | 1¼ |
| Dickenson Min A | N.Q. | 4¼ |
| Dofasco | 23¼ | 22⅞ |
| Dylex A | 4.10 | 3.95 |
| Echo Bay Mines | 15⅛ | 15¼ |
| Equity Silver A | 1.60 | 1.55 |
| FCA Intl | 10⅝ | N.Q. |
| Fed Ind A | 13⅝ | 13¼ |
| Fletcher Chall A | 16¼ | 16¼ |
| FPI | 5⅜ | 5⅛ |
| GoldCorp | N.Q. | 4.30 |
| Gulf Cda Res | 15⅛ | 15⅝ |
| Hees Intl | 24⅛ | 24 |
| Hemlo Gld Mines | 13 | 12⅞ |
| Hollinger | 13⅝ | 13¾ |
| Horsham | 18¼ | 18⅝ |
| Hudson Bay | N.Q. | 5⅝ |
| Imasco | 36½ | 36⅝ |
| Inco | 34⅝ | 34⅛ |
| Interhome | 49⅝ | 49⅞ |
| Jannock | 15⅝ | 15⅝ |
| Labatt | 22⅛ | 22¼ |
| Loblaw Co | 16⅝ | 16⅝ |
| Mackenzie | 7⅛ | 7⅛ |
| Magna Intl A | 3.55 | 3.60 |
| Maritime | 17⅛ | 17 |
| Mark Res | 18⅞ | N.Q. |
| MacLean Hunt X | 9⅝ | 9⅝ |
| Molson A | 39⅝ | 39¼ |
| Noma Ind A | 8¼ | 8 |
| Noranda | 20½ | 20⅝ |
| Noranda Forest | 11 | 11¼ |
| Norcen Energy | 24⅝ | 24⅝ |
| Nova Corp | 8⅝ | 8⅝ |
| Oshawa | 30⅝ | 30 |
| Pagurin A | 7⅝ | 7⅝ |
| Placer Dome | 18½ | 18⅝ |
| Poco Petroleum | 6⅝ | 6⅞ |
| PWA Corp | 9½ | 9½ |
| Quebec Sturgeon | N.Q. | — |
| Rayrock | 8¼ | 8 |
| Renaissance | 14⅝ | 14⅞ |
| Rogers B | 8⅛ | 8⅛ |
| Rothmans | N.Q. | — |
| Royal Bank Can | 23⅝ | 23¼ |
| Royal TrustCo | 15¼ | 15¼ |
| Sceptre Res | 3.55 | 3.35 |
| Scott's Hosp | 15¼ | 15¼ |
| Seagram | 96½ | 96 |
| Sears Can | 11⅝ | 11½ |
| Shell Can | 38½ | 38¼ |
| Sherritt Gordon | 7⅞ | 7⅝ |
| SHL Systemhse | 8⅝ | 8⅝ |
| Southam | 25 | 25¼ |
| Spar Aerospace | 9⅝ | 9⅝ |
| Stelco A | 16½ | 16½ |
| Teck B | 24⅛ | 23⅞ |
| Thomson News | 15¼ | 15¼ |
| Toronto Domn | 18½ | 18⅛ |
| Torstar B | 27⅛ | 27⅛ |
| Transalta Util | 12¼ | 12½ |
| TransCda Pipe | 16 | 16⅛ |
| Trilon Finl A | 17¾ | 17⅞ |
| Trimac | 6⅝ | 6⅝ |
| Trizec A | 19 | 19⅝ |
| Turbo Resources | 0.44 | 0.43 |
| Unicorp A | N.Q. | 2 |
| Woodward's Ltd | 1.42 | 1.40 |

TSE 300 Index: 3575.40
Previous: 3558.90

### Zurich

| | Close | Prev. |
|---|---|---|
| Adia Intl | 1555 | 1500 |
| Alusuisse | 1510 | 1490 |
| Bank Leu | 2500 | 2510 |
| Brown Boveri | 6125 | 5925 |
| Ciba Geigy | 3540 | 3520 |
| CS Holding | 2410 | 2490 |
| Elektrow | 3510 | 3520 |
| Fischer | 2260 | 2300 |
| Interdiscount | 4540 | 4530 |
| Jacobs Suchard | 8175 | 8200 |
| Jelmoli | 2290 | 2280 |
| Landis Gyr | 1410 | 1435 |
| Moevenpick | 6050 | 6050 |
| Nestle | 8925 | 8800 |
| Oerlikon-B | 985 | 985 |
| Pargesa Hld | 1520 | 1500 |
| Roche Holding B | 4560 | 4450 |
| Sandoz | 2370 | 2370 |
| Sulzer | 740 | 740 |
| Surveillance | 5500 | 5450 |
| Swissair | 960 | 950 |
| SBC | 326 | 315 |
| Swiss Reinsur | 631 | 614 |
| Swiss Volksbank | 1660 | 1650 |
| Union Bank | 3630 | 3540 |
| Winterthur | 4330 | 4210 |
| Zurich Ins | 2270 | 2220 |

SBS Index: 690.80
Previous: 684.40

## European Commodities

**LONDON SUGAR** — U.S. Dollars per metric ton

| | Close Bid | Close Ask | High | Low | Previous Bid | Previous Ask |
|---|---|---|---|---|---|---|
| Aug | 298.60 | 299.00 | 299.00 | 297.00 | 296.40 | 297.00 |
| Oct | 296.00 | 296.20 | 296.20 | 293.80 | 293.60 | 293.80 |
| Dec | 281.00 | 298.00 | 282.60 | 282.60 | 281.00 | 300.00 |
| Mar | 280.60 | 281.00 | 281.20 | 278.40 | 278.00 | 278.40 |
| May | 280.40 | 280.80 | N.T. | N.T. | 277.00 | 278.60 |
| Aug | 278.40 | 279.80 | N.T. | N.T. | 276.00 | 277.60 |
| Oct | 274.00 | 275.00 | 275.00 | 273.00 | 271.80 | 273.40 |

Volume: 1,307 lots of 50 tons.

**LONDON COCOA** — Sterling per metric ton

| | Close Bid | Close Ask | High | Low | Previous Bid | Previous Ask |
|---|---|---|---|---|---|---|
| Jul | 779 | 782 | 786 | 778 | 777 | 779 |
| Sep | 803 | 804 | 809 | 798 | 803 | 805 |
| Dec | 827 | 829 | 833 | 824 | 828 | 829 |
| Mar | 852 | 854 | 857 | 851 | 851 | 852 |
| May | 870 | 873 | 877 | 867 | 871 | 872 |
| Jul | 888 | 893 | 894 | 888 | 892 | 894 |
| Sep | 905 | 913 | 910 | 910 | 905 | 914 |

Volume: 4,743 lots of 10 tons.

**LONDON COFFEE** — Sterling per metric ton

| | Close Bid | Close Ask | High | Low | Previous Bid | Previous Ask |
|---|---|---|---|---|---|---|
| Jul | 563 | 564 | 566 | 555 | 548 | 549 |
| Sep | 571 | 572 | 574 | 581 | 574 | 575 |
| Nov | 611 | 613 | 612 | 601 | 596 | 597 |
| Jan | 630 | 631 | 632 | 622 | 616 | 618 |
| Mar | 647 | 648 | 649 | 642 | 636 | 637 |
| May | 665 | 669 | 665 | 661 | 653 | 656 |
| Jul | 670 | 685 | N.T. | N.T. | 670 | 667 |

Volume: 3,343 lots of 5 tons.

**LONDON GASOIL** — U.S. dollars per metric ton

| | Close Bid | Close Ask | High | Low | Previous Bid | Previous Ask |
|---|---|---|---|---|---|---|
| Jul | 143.75 | 144.00 | 144.50 | 143.75 | 144.00 | 144.25 |
| Aug | 144.50 | 145.00 | 145.25 | 144.50 | 145.25 | 145.50 |
| Sep | 146.00 | 146.25 | 146.75 | 146.00 | 146.75 | 147.00 |
| Oct | 149.00 | 149.25 | 150.00 | 149.00 | 150.00 | 150.25 |
| Nov | 151.25 | 151.50 | 152.50 | 151.25 | 152.00 | 152.25 |
| Dec | 153.25 | 153.50 | 154.00 | 152.75 | 153.75 | 154.00 |
| Jan | 153.25 | 154.00 | N.T. | N.T. | — | 154.50 |
| Feb | 148.00 | 150.25 | 150.00 | 150.00 | 151.50 | 152.50 |
| Mar | 143.00 | 144.00 | 146.00 | 143.00 | 144.08 | 144.25 |

Volume: 4,195 lots of 100 tons.

**PARIS SUGAR** — French francs per metric ton

| | High | Low | Close Bid | Close Ask | Ch'ge |
|---|---|---|---|---|---|
| Aug | 2,190 | 2,165 | 2,155 | 2,175 | —20 |
| Oct | 2,045 | 2,015 | 2,000 | 2,003 | —41 |
| Dec | 2,008 | 2,000 | 1,985 | 2,000 | —23 |
| Mar | N.T. | N.T. | 1,990 | 2,000 | —10 |
| May | 2,000 | N.T. | 1,985 | 1,995 | —15 |
| Aug | N.T. | N.T. | 1,990 | 2,000 | —10 |

Est. vol.: 1,345 lots of 50 tons. Prev. actual sales: 1,150 lots. Open interest: 18,726.

*Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.*

## London Metals

| | Close Bid | Close Ask | Previous Bid | Previous Ask |
|---|---|---|---|---|
| **ALUMINUM (High Grade)** Dollars per metric ton | | | | |
| Spot | 1536.00 | 1538.00 | 1526.00 | 1527.00 |
| Forward | 1544.00 | 1545.00 | 1554.00 | 1555.00 |
| **COPPER CATHODES (High Grade)** Sterling per metric ton | | | | |
| Spot | 1478.00 | 1480.00 | 1495.00 | 1496.00 |
| Forward | 1445.00 | 1446.00 | 1458.00 | 1460.00 |
| **LEAD** Sterling per metric ton | | | | |
| Spot | 494.00 | 496.00 | 508.00 | 508.50 |
| Forward | 498.00 | 498.50 | 508.00 | 509.00 |
| **NICKEL** Dollars per metric ton | | | | |
| Spot | 8580.00 | 8600.00 | 8650.00 | 8675.00 |
| Forward | 8600.00 | 8620.00 | 8625.00 | 8650.00 |
| **TIN** Dollars per metric ton | | | | |
| Spot | 5985.00 | 6000.00 | 6015.00 | 6030.00 |
| Forward | 6110.00 | 6120.00 | 6140.00 | 6150.00 |
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Convocation à l'Assemblée Générale Extraordinaire

Nous vous prions de bien vouloir assister à l'Assemblée Générale Extraordinaire de ECU MULTIPLACEMENT qui sera tenue au siège social, 10A, Boulevard Royal, Luxembourg,

le lundi 23 juillet 1990 à 15.00 heures

et qui aura l'ordre du jour suivant:

*Modification des Articles 1 à 27 des Statuts de la Société conformément* à la loi du 30 mars 1988 relative aux Organismes de Placement Collectif et adoption de la version coordonnée des Statuts.

Le libellé de l'Article 3 s'énoncera comme suit:

Article 3 - Objet social

L'objet exclusif de la Société est de placer les fonds dont elle dispose en valeurs mobilières variées dans le but de répartir les risques d'investissement et de faire bénéficier ses actionnaires des résultats de la gestion de son portefeuille.

Les actions de la Société sont destinées à être placées dans le public par une offre publique ou privée.

D'une façon générale, la Société peut prendre toutes mesures et faire toutes opérations qu'elle jugera utiles à l'accomplissement de son objet, en restant toutefois dans les limites tracées par la loi du trente mars mille neuf cent quatre-vingt-huit relative aux Organismes de Placement Collectif.

** ** **

La version coordonnée des Statuts comprenant les changements proposés à l'Assemblée Générale est à la disposition du public au siège social de la Société.

L'Assemblée sera régulièrement constituée et ne pourra délibérer valablement sur l'ordre du jour que si la moitié au moins du capital est représentée.

Les modifications proposées dans l'ordre du jour devront être approuvées par une majorité des deux tiers au moins des voix des actionnaires présents ou représentés.

La présente convocation et une formule de procuration sont envoyées à tous les actionnaires inscrits au 6 juillet 1990.

Pour avoir le droit d'assister ou de se faire représenter à cette assemblée, les propriétaires d'actions au porteur doivent avoir déposé pour le 13 juillet 1990, leurs titres, soit au siège social de la société, soit, aux guichets de la Banque Dépositaire, 10A, Boulevard Royal, Luxembourg ou aux guichets d'un établissement bancaire où des formules de procuration sont disponibles.

Les propriétaires d'actions nominatives doivent dans le même délai, c'est-à-dire pour le 13 juillet 1990, informer par écrit (lettre ou procuration) le Conseil d'Administration, de leur intention d'assister à l'assemblée.

Pour le Conseil d'Administration,
J.Pierson
Secrétaire Général

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# SPORTS/THE WORLD CUP

## Italian Players Try To Cope With Pain Of Their Only Loss

*Compiled by Our Staff From Dispatches*

MARINO, Italy — Gianluca Vialli, swollen-eyed and still fighting back the tears, summed up the mood of the Italian team on Wednesday after its semifinal loss to Argentina the night before.

"Unfortunately for us the dream has vanished," Vialli said softly, quickly donning dark glasses as television cameras neared.

After a late-night return from Naples where it was beaten in a penalty shoot-out, the Italian squad spent the night at its headquarters in Marino, near Rome, where Italy had prepared for more than a month for what was supposed to be a national feast.

"I slept little and badly," said goalkeeper Walter Zenga.

Zenga said he did not feel responsible for Italy's defeat in the shoot-out — the team's only loss in the tournament. "I went to one side, they shot to the other."

The goalkeeper, who had set a World Cup record by staying unbeaten through more than five games, also countered criticism that he misjudged a cross off which Claudio Caniggia of Argentina scored the goal that sent the game into overtime.

"I intended to intercept the cross, but Caniggia unfortunately anticipated this and was quicker to the ball," Zenga said.

Giuseppe Bergomi, the team's captain, spent much of the night replaying the video of the semifinal, which ended with the Argentine goalkeeper, Sergio Goycochea, saving kicks from Roberto Donadoni and Aldo Serena.

"I watched it over and over during the night to look for all the mistakes we might have made," Bergomi said. "But I don't think we have anything to reproach ourselves for because it was a good game.

"Once we were ahead perhaps we sat back a bit too much," he said.

Salvatore Schillaci, Italy's leading scorer at the finals, was not available for the shoot-out; he had strained a groin muscle. Italy's coach, Azeglio Vicini, said that Schillaci's injury and a bad attack of cramps that hampered Riccardo Ferri came at a fatal point for Italy.

"No sooner had we used our two substitutes than Ferri and Schillaci got hurt," he said. "We made the changes too soon because if I had waited a few minutes I could have switched Ferri and Schillaci who were injured and not two players who were tired but were healthy."

"Realistically, Argentina started badly in the tournament, but now it has shown why it is the champion of the world," Vicini said.

The Argentines had been stung by a loss to Cameroon in the opening game. Since, their coach, Carlos Bilardo, has worked to transform the team into a cohesive unit.

"The defeat by Cameroon was the worst moment of my career," Bilardo said. "We had to find ourselves and settle into our true positions. But we reacted like real men and now we're in the final."

"We outplayed Italy in midfield, which was where the game was going to be decided," he said with quiet satisfaction.

Diego Maradona, the Argentine captain, was adamant that his team had deserved to win.

"I never thought Italy believed they could win with just one goal," he said. "The truth is that in the second half and in extra time, we took charge."

While Argentina is going to Rome for Sunday's finals, Vicini now must gather his men for Saturday's third-place match in Bari.

"We certainly want third place very much because although it might not mean anything for the World Cup title it would confirm us as a high-level team," Vicini said.

But a tired Ferri said it would be hard to work up enthusiasm.

"There is obviously a little bitterness inside us and we have to try to find a lot of motivation for this game," he said.

"I think we all need a holiday," Vialli said. "It's been a very hard month." *(Reuters, AP)*

Reuters

After Argentina's victory, cheers became tears for Italian supporters at Stadio San Paolo in Naples.

Kurlheinz Kreifelts/The Associated Press

Goycoechea: Got advice from Maradona.

## To Goycoechea, Shoot-Out Pressure Is All on Kickers, Not the Goalkeeper

*The Associated Press*

NAPLES — Nervous? Not Sergio Goycoechea.

The goalkeeper for Argentina came to the World Cup finals prepared to watch Nery Pumpido guard the net. But Pumpido, who had helped Argentina win the 1986 world title, broke his leg in the second game. Since then, Goycoechea has been the goalkeeper.

He has been sensational.

On Tuesday night, he stopped penalty kicks by Roberto Donadoni and Aldo Serena during the shoot-out with Italy. When all four of his teammates were successful, the Argentines were headed for this tournament's final, on Sunday.

"It is not my specialty, but they are not all luck," Goycoechea said. "Some goalkeepers are good at stopping them.

"In the Yugoslavia game, I told my teammates to be calm. I would stop two," he said of the quarterfinals shoot-out. "Luckily, I did.

"Today, I said I would stop one and luckily, I stopped two."

Goycoechea had plenty of help. Not only did José Serrizuela, Jorge Burruchaga, Julio Olarticoechea and Diego Maradona make good on their kicks, but Maradona gave advice to Goycoechea on his opponents in the shoot-out.

"Diego gave me some tips on how they shoot penalties because he is in the league with them," Goycoechea said. "I choose a place I am going to go, wait until the last second, and when the ball is kicked, I go to that place and hope the ball is kicked there."

Goycoechea, who played for Millionarios of Colombia last season, doesn't mind the shoot-outs. He knows it's all reaction, anyway.

"I thought very little," he said. "The goalkeeper is the most tranquil person in this situation. The responsibility is on the people who are kicking the ball.

"If the goalkeeper jumps the right way, people say what a good stop it was. If he jumps the other way, people say what a good penalty kick it was and the shooter should make them. You have nothing to lose."

On Sunday, the Argentines have a shot at a second straight world championship.

"We haven't really realized the caliber of where we are," Goycoechea said. "We are still dumbfounded."

## *Argentina Ends Italy's Dream*

By William Gildea
*Washington Post Service*

NAPLES, Italy — You could see the tension. The Italians took deep breaths, they paced in front of their seats, some fell to their knees in supplication. Diego Maradona had brought them to their knees.

The star of the 1986 World Cup, whose performance in Mexico City is an abiding memory, added one more epic performance to a career marked by extraordinary talent, a mercurial temperament, a gaudy lifestyle and irrepressible charisma.

In his adopted Italian city, Maradona led the defending World Cup champion, Argentina, back from a 1-0 deficit by setting up Claudio Caniggia's header for the tying goal, forcing 30 minutes of extra time and then a penalty-kick shoot-out. Fittingly, it was Maradona who made the last of the kicks that eliminated the Italians from the tournament they thought was theirs.

A goal in regulation for each team was followed by four successful penalty kicks by Argentina and three by Italy. The fourth Italian to take a penalty kick, Roberto Donadoni, was stopped by Sergio Goycoechea, the 27-year-old goalkeeper who has filled in brilliantly since Nery Pumpido broke his leg against the Soviet Union in Argentina's second game of the tournament.

Maradona then made Argentina's fourth consecutive shot. When Goycoechea stood tall and blocked Aldo Serena's kick, he joined his teammates, piled up in a mass of celebration.

Italy may have been looking past Argentina. Maradona's team had scored only four goals in five games in the finals, and needed a shoot-out on Saturday to sneak past Yugoslavia. Italy, meanwhile, had shut out all five opponents to reach Tuesday night's semifinal.

But for the first time Italy was playing outside the completely friendly Stadio Olimpico in Rome. And Argentina had proven to be a dangerous team in its 1-0 victory over Brazil in the second round. "After that," said Carlos Bilardo, Argentina's coach, "I believed we could make the finals."

This is only the second time that a South American team has made a World Cup finals in Europe, Brazil having won the cup in Sweden in 1958.

"In 1986 everything was more clear," Maradona said. "We won all the games. We never got to extra time. But this is beautiful, too. We've suffered a lot. This is a tale we will tell our children."

Italy's misfortune was to give up a single goal in six games — and be knocked out when, as the captain, Giuseppe Bergomi, painfully declared, not only Tuesday night's game but also the cup itself seemed to have been "within our reach."

When he scored in the 18th minute, Salvatore Schillaci appeared to be carrying Italy toward Sunday's final and a place for himself in cup history. He got his fifth goal in six games by following up after Goycochea batted away a shot by Gianluca Vialli.

"We had the 1-0 lead," said Azeglio Vicini, Italy's coach, "but Argentina reacted strongly."

Maradona went to work. "It was in the midfield that we won the game," Bilardo said. And, of course, it's in the midfield that Maradona roams and works magic with his feet.

Maradona had stirred controversy before the game, trying to lure Neapolitans into rooting for him and Argentina because he had brought two titles to the Napoli club of the Italian League. Indeed, it was a wrenching time for southern Italy, but there could be no doubt. They love Maradona, but their hearts remain firmly fixed with Italy.

"I am an Italian," explained a Neapolitan before the game. "I am for Italy. But I will say there is only one Maradona. There will always be only one Maradona. There could never be another. Where would he come from?"

The Stadio San Paolo crowd of 59,978 was overwhelmingly for the Italian Blues.

Thousands of green, white and red Italian flags waved in the muggy evening air as Maradona tried often but unsuccessfully to connect with looping passes to his forwards for the tying goal. At last, in the 68th minute, he manufactured a play that Caniggia finished with nothing short of brilliance.

Maradona passed to the left side to Julio Olarticoechea, who sent the ball soaring to Caniggia in front of the Italian goalkeeper, Walter Zenga. Caniggia leaped with his back to the goal. The ball virtually skimmed off his head as he flicked it backward in a contortionist's maneuver that caught Zenga too far out. The ball went to Zenga's left and into the corner of the net.

Incredibly, that broke a streak by Zenga of 517 scoreless minutes in the World Cup. He had shut out the opposition for 990 minutes in international play.

It was Zenga's and Italy's misfortune that when it came time to take the penalty kicks, Schillaci and Ricardo Ferri were hurting and could not participate. Schillaci had a groin strain and Ferri had cramps. It was enough to make Vicini blurt out, "I believe Italy deserved more than its opponent."

As the tension mounted, the five players for each team were designated to take the penalty kicks. Franco Baresi went first and scored for Italy. José Serrizuela countered for Argentina. Roberto Baggio connected for Italy, Jorge Burruchaga for Argentina. Luigi De Agostini made the third kick for Italy. Olarticoechea answered. But then Donadoni missed, and when Maradona put in his and Serena made a weak kick that was stopped. Argentina had pulled the shocker of the '90 cup.

Italy's fans stood silent in the stadium. Some sat holding their heads. Some cried. Their party was over.

"Victory was within our reach," Bergomi said. "It has been a pity."

The streets of Italy were silent.

## Argentina Heads to Final With 4 Players Suspended

*Reuters*

NAPLES — Four of Argentina's starters will will not play in Sunday's championship match after have received either a red card or their second yellow card during the victory over Italy.

The French referee, Michel Vautrot, sent off defender Ricardo Giusti after the defender knocked down Italy's Roberto Baggioan away from the action. Giusti will antomatically be suspended for the final in Rome.

Three Argentine players — striker Claudio Caniggia, and midfielders Julio Olarticoechea and Sergio Batista — were shown their second yellow card of the tournament and will miss the final.

"It's the biggest frustration of my life," said Caniggia, who scored Argentina's 68th-minute goal to tie the match. "Neither the goal nor anything can compensate."

The 23-year-old striker blamed Vautrot, the referee, for robbing him of a place in the final. His second yellow card of the tournament occurred when he deliberately handled the ball in the 83d minute.

"He was too quick," Caniggia said. "It was unjustified."

But Vautrot had already warned Caniggia for a deliberate handball earlier in the match.

"These are things that happen in soccer," Giusti, 33, said after what could be his last appearance on Argentina's national team. "Whoever comes in will do a good job."


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# West Germany Halts Upsets, but Only by Beating England in Shoot-Out

Denis Paquin/Reuters

The Associated Press

**England tested West Germany's goalkeeper often, but Bodo Illgner (left) was up to the task, diving far to his left to turn away one shot. England held Germany scoreless until early in the second half, then Andreas Brehme's shot was deflected and arched over goalkeeper Peter Shilton (above), who fell back into the net.**

## *Block and Miss Put England In 3d-Place Match With Italy*

*Compiled by Our Staff From Dispatches*

TURIN — West Germany reached the World Cup final for the third successive time, by defeating England, 4-3, in a dramatic penalty shoot-out on Wednesday night.

The two teams battled through a scoreless extra time after each scoring once in the opening 90 minutes of their semifinal match.

After the first three players on each team had successfully taken their shots in the shoot-out, England's Stuart Pearce had his shot blocked by West German goalkeeper Bodo Illgner.

After Olaf Thon scored to give West Germany the lead, Chris Waddle shot over the net to send West Germany through to Sunday's game against Argentina in Rome, a repeat of the final four years ago in Mexico City won, 3-2, by the South Americans.

England plays Italy in Bari on Saturday in the playoff for third place.

"It was a seesaw battle," said West German coach Franz Beckenbauer.

"It was a very difficult game," Beckenbauer said. "Both teams had a very difficult quarterfinal and there was a very short time to recover.

"Both teams deserve all our compliments. They both played beyond their limits and then there was the thrill of the penalties.

"But I would say that the victory was well-deserved because for long periods we were the dominant team. I would say it was just, though there was also luck."

"There was little difference between the teams," said England's manager Bobby Robson.

"It came to the ability of the one individual to break the deadlock," he added.

"There is not much we can do," Robson said. "It is over for us, we have played a major part in the tournament, we have done very well to get to the semifinals and we can go home feeling very proud."

Asked about penalty shoot-outs, he said: "When you get to the four best teams in the world there is not going to be very much difference between those teams.

"It is just the ability of one individual to do the one thing which is going to break the deadlock. It was always close, but there it is."

In regulation time, England immediately took the initiative, bent on denying West Germany the time and space to develop its passing play. England's team defense was outstanding in the match.

Jürgen Klinsmann, a spectacular player in the earlier games, was nearly invisible until he missed two chances in the first extra time. Klinsmann played without fellow striker Rudi Völler for most of the match, after Völler was out injured in the 39th minute.

Lothar Matthäus, the West German captain, also played well below his standards because of the pressure.

England dominated the first half with accurate combination play, and midfielder Paul Gascoigne tested Illgner with a couple of strong shots.

But West Germany went ahead in the 59th minute when a shot by defender Andreas Brehme from 22 meters was deflected by England defender Paul Parker. The ball spun over the head of a scrambling goalkeeper, Peter Shilton, and into the net.

Four years ago in Mexico, Brehme scored on a freekick to push West Germany over France and into the final against Argentina.

With 15 minutes left, the West German fans began celebrating Brehme's second goal of the tournament as the winner.

With their green-shirted players retaining possession for lengthy periods, it looked increasingly difficult for England to find a way back even with Gary Stevens stretching the German defense on the right.

But Paul Parker combined well with Stevens after 80 minutes and won a corner, taken by Peter Beardsley, from which Mark Wright had a header saved.

One minute later England capitalized on a mix-up in the German defense to equalize.

Parker again was the creator with a deep cross from the right to Lineker. Jürgen Kohler, Klaus Augenthaler and Thomas Berthold all moved to challenge but somehow the ball escaped them, and the England striker turned to his left and struck a left-foot cross shot wide of Illgner and inside his left-hand post.

It was the second time in as many games that Lineker scored late in regulation time to keep England in the World Cup. He did so against Cameroon in a 3-2 overtime victory in the quarterfinal.

For the first time, the game produced a rousing atmosphere to match the vast stadium as both teams searched for the late goal that would prevent them going into extra time.

As it came closer to the end of normal time, however, neither team was prepared to take risks and both sides packed midfield to ensure the score after 90 minutes was 1-1.

Both England and West Germany came close to a victory in extra time.

The match remained evenly balanced in the first overtime period.

Thon shot wide after 102 minutes, England replied with a surging run by Stuart Pearce and then a tremendous shot by Waddle that had Illgner beaten but rebounded off his left-hand post in the final seconds of the opening period.

The second period opened with England still carrying the game to West Germany. After 112 minutes Brehme was cautioned — for the third time in the tournament — for a foul on Gascoigne.

A minute later, David Platt forced the ball past Illgner from a Waddle cross, but was adjudged offside as both sides committed themselves to attack.

At the other end, Shilton made a good save from a drive by Thon and Brehme cut in and fired a powerful right-foot drive over the bar.

With only three minutes to go, a run by Stevens and a dangerous cross won a corner, which was cleared.

West Germany's Guido Buchwald almost broke the deadlock in the 119th minute with a shot that beat Shilton but cannoned off a post.

The semifinal between Argentina and Italy also went to penalty kicks after the game ended 1-1. Argentina won the shoot-out by a 4-3 score. *(Reuters, AP)*

**Lineups**

**England:** Peter Shilton; Paul Parker, Des Walker, Mark Wright, Terry Butcher (Trevor Steven, 70th minute), Stuart Pearce; Paul Gascoigne, David Platt; Chris Waddle, Gary Lineker, Peter Beardsley. **Penalty shoot-out:** Lineker, Beardsley, Platt, Pearce, Waddle.

**West Germany:** Bodo Illgner; Thomas Berthold, Jürgen Kohler, Guido Buchwald, Klaus Augenthaler, Andreas Brehme; Thomas Hässler (Stefan Reuter, 67th), Lothar Matthäus, Olaf Thon; Jürgen Klinsmann, Rudi Völler (Karlheinz Riedle, 38th). **Penalty shoot-out:** Brehme, Matthäus, Riedle, Thon.

**Referee:** José Ramiz Wright, Brazil.

## WORLD CUP WRAP-UP

### Indomitable Fans Greet Cameroon

YAOUNDE, Cameroon (AP) — Jubilant despite a fierce rainstorm, more than 20,000 people jammed an airport Wednesday to welcome home Cameroon's soccer team after its history-making performance at the World Cup.

"We're very happy to have done good work," said Roger Milla, the last player off the plane, "and now it's necessary to prepare for the future."

Milla, 38, came out of retirement to score four goals and the Indomitable Lions became the first African team to reach the World Cup quarterfinals. He received an ovation at the international airport at Douala, Cameroon's largest city.

On Thursday, the team is scheduled to fly into the capital, Yaoundé, to be welcomed by government officials, and then be taken on a 20-kilometer (12-mile) parade in jeeps escorted by police motorcycles.

The players are to be given free accommodation at a luxury Yaoundé hotel, then make a tour of outlying provinces, the Sports and Youth Ministry said. Dozens of foreign journalists have arrived to cover the homecoming, one of the biggest media influxes ever in Cameroon.

### *Many Watch the Loss, but Not Sicily*

ROME (Reuters) — More than 27 million Italians, the biggest television audience in the nation's history, watched Argentina knock Italy out of the World Cup, official audience monitoring figures released Wednesday showed.

But residents of Messina, Sicily, where cup hero Salvatore Schillaci played in the second division, were not among them after a blackout cut electricity to most of the city before the match began Tuesday night. Power was not restored until the match was over, forcing the Messinese to listen to the contest on radios.

The official figures showed that 27.5 million people watched the match. That was almost two million more than the previous record of 25.7 million, set for Italy's first-round victory against the United States.

### Morocco Bids for 1998 World Cup

ROME (AP) — Morocco on Wednesday announced its candidacy for the 1998 World Cup, hoping to become the first African nation to host the premier soccer competition.

"After the participation of Egypt and Cameroon [in Italy], everyone knows the good worth of African soccer," M. Abdellutif Semlali, Morocco's minister for youth, told a news conference.

"I'm sure this will help Morocco to be accepted as a likely candidate to host the 1998 soccer World Cup."

Morocco did not qualify for the 1990 World Cup but caused a stir at the 1986 tournament in Mexico, winning its first-round group by defeating Portugal and drawing with England and Poland. It bowed out in the second round on a 1-0 loss to West Germany.

### Brazil's Coach: Made to Feel Criminal

RIO DE JANEIRO (Reuters) — The Brazilian soccer coach, Sabastião Lazaroni says that he has been made to feel like a criminal delinquent since his team's defeat by Argentina.

"I never thought that football could change people's ideas so much," he said Tuesday of the hostility he faced after Brazil's second-round defeat.

"I feel like a delinquent who has just committed a crime. Everybody speaks about Lazaroni with anger, forgetting that I am a man like any other citizen," he said in his first meeting with the media since the loss.

### Official Rules for State in Turf War

ROME (Reuters) — Italy's solicitor general says the state should get a cut of the million-dollar profits expected from the sale of the turf where the World Cup final will be played on Sunday.

The ruling was the latest twist in a long legal wrangle over the proceeds from sales of the turf at Rome's Olympic Stadium, which is expected to bring in 40 billion lire ($33 million).

Rights to the turf have been sold to a private company by the Italian Olympic Committee, which administers the stadium.

Finance Minister Rino Formica must now decide whether to bring legal action to claim money from the committee after the turf is sold.

### For the Record

Stefan Beckenbauer, son of the West German coach Franz, will sign a four-year contract with Red Star Belgrade, moving from the West German second-division club Munich 1860, the sports news agency SID reported. *(AFP)*

### German Hurt In Fighting Before Match

*Compiled by Our Staff From Dispatches*

TURIN — A 23-year-old West German was stabbed in the back and seriously wounded when a fight broke out among rowdy fans several hours before for the West Germany-England semifinal match on Wednesday night.

It was the second outbreak of violence in 24 hours. Early Wednesday police used tear gas and batons to disperse Italian and English youths throwing bottles and rocks at each other at a camp site in Turin.

Italian security forces launched their biggest operation of the tournament for the semifinal in Turin, with at least 7,000 riot police on duty including 2,000 at Stadio Delle Alpi, site of the match.

The wounded fan, identified as Manfred Girr, 23, underwent emergency surgery for the stab wound in his back and was in the intensive care unit of Mauriziana hospital, police said.

One other person suffered minor injuries in the fighting, and police said they made no arrests.

Kay Coombs, a British Embassy spokeswoman who is in Turin, said there was a brief scuffle involving about 40 English, Italian and German fans in a park near the train station.

The stabbing occurred as thousands of fans were milling outside the station within view of the park, waiting for street cars to take them to the stadium, a 50-minute journey.

Police monitoring the arrival of fans inside the station for the match appeared to have been taken off guard by the fighting outside, witnesses said.

Police said they banned 38 Italian youths from soccer stadiums for one year after the fighting early Wednesday at the Turin camp site. Eight people were injured. No Britons were detained, police said.

About 200 young Italians, hurling missiles and screaming anti-English insults, tried to storm a gate to the camp site after marching from the train station.

Some of the Italians wore scarves in the black and white colors of the Turin soccer team Juventus to recall the rioting in a Brussels stadium in 1985 that caused the deaths of 39 people, most of them Italians, during a championship game against the English team Liverpool.

The clash erupted about one hour after Italy's loss to Argentina in a semifinal match in Naples.

Shortly after the match ended, police had dispersed about 100 Italian soccer fans from Turin's main railway station.

The Italians had tried to enter the station, apparently looking for English fans arriving for Wednesday's match. *(Reuters, AP)*

Herbert Knosowski/Reuters

**Gary Lineker, who scored for England to make it 1-1, earlier was tackled hard by Jürgen Kohler.**

## *Argentine Celebrations Turn Violent*

*Compiled by Our Staff From Dispatches*

BUENOS AIRES — At least 16 persons were injured and 207 arrested when people celebrating Argentina's victory over Italy turned violent, looting stores and attacking police and each other, police said Wednesday.

About 30,000 frenzied celebrators flooded the downtown streets late Tuesday after Argentina won the penalty shoot-out to advance to the World Cup final.

Witnesses said groups of young vandals took advantage of the festivities to blend into the crowds.

Other witnesses said that gangs of as many as 10 waited in alleys and side streets of the city center to attack and rob passersby.

The violence began when a band of young men broke into a jewelry shop. Before the night was over, clothing stores, record shops and other businesses were looted.

Police fired tear gas into the crowds, and were met by a barrage of bottles and rocks.

Armored vehicles patrolled some of the city's main streets.

Police said that of the 207 people arrested during the evening, 182 remained in custody Wednesday. They are accused of looting 38 businesses.

Earlier Tuesday the capital's streets virtually were deserted because most people were watching the game on television.

**■ Argentine Attacked**

An Argentine man was attacked and beaten by Italians in Macerata, in eastern Italy, on Tuesday night after he noisily celebrated Argentina's victory, Reuters reported.

Police said the man, who has lived in the town of Macerata for 16 years, was attacked by about 70 people after he drove around, sounding his horn to celebrate Argentina's triumph.

**■ Fights in Toronto**

Scores of Italian and Argentine soccer fans clashed Tuesday in Toronto after watching the match or television, The Associated Press reported.

The finding started in a predominantly Italian neighborhood when Argentine fans burned Italy's flag.

## ITALY:

### *Cup Dream Over*

(Continued from page 1)

to be kind, saying that "lineups are like governments."

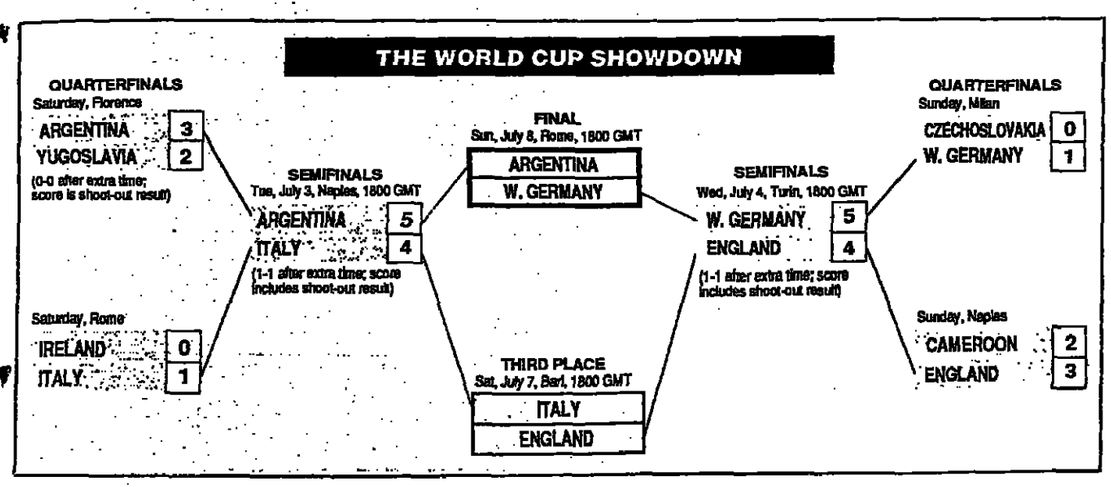
With Italy's sports hopes shattered, a few commentators wondered in print if the worst lies ahead.

A general strike is scheduled for next Wednesday, after the World Cup is over, and Mr. Andreotti's government is buffeted, like most of its predecessors, by internal dissent. All these problems were put on hold for the soccer tournament, but now there is speculation about a possible government crisis as the various demons crawl back out of their box.

Even when things were going well for the national team, many Italian businessmen were disheartened.

The World Cup did not prove to be the tourism bonanza that hotel operators had expected. In fact, large numbers of regular visitors have avoided Italy out of fear of high prices and scarce accommodations. Restaurant owners in the 12 host cities had no reason to celebrate either. Most Italians stayed home on match nights to watch television, and those who did go out had to settle for meals without wine because of alcohol bans imposed as deterrents against soccer violence.

Still, life goes on, and so does soccer. Just off Via di San Stefano del Cacco, half a dozen teenagers wasted little time in putting the unhappy match behind them. At midnight, barely an hour after Italy had been eliminated, they were out on the street, kicking a soccer ball around and dreaming of next time.




## Francescoli and Aldair Join First-Division Clubs in Italy

*The Associated Press*

ROME — Striker Enzo Francescoli of Uruguay and defender Aldair of Brazil have become the latest players from the World Cup finals to join Italian first division clubs.

Francescoli, 28, was to formalize a contract Wednesday with Cagliari of Sardinia after being sold by the Marseille team Olympique of the French first division.

Aldair, a 24-year-old central defender, joined Roma on a transfer from Benfica of Lisbon.

Terms of the transfers were not announced but sources said the prices were reasonable by standards of high-priced Italian soccer. Aldair's contract included a clause requiring him to shave off his beard before he begins the season with Roma.

Marseille decided to sell Francescoli to make room on its roster for Yugoslavia's World Cup star, Dragan Stojkovic.

Francescoli had a disappointing World Cup and failed to score in four games. Uruguay was eliminated in the second round, falling by 2-0 to Italy, after entering the tournament as a dark-horse threat for the title.

Two other Uruguayan World Cup players are on the Cagliari roster: Daniel Fonseca and José Herrera.

Last week, Czechoslovak striker Tomas Skuhravy — co-leader on the World Cup scorers' list with five goals — came to terms with Genoa of the Italian league on a $3 million transfer deal with Sparta Prague.

Skuhravy will earn about $500,000 and have the use of a car and apartment during the three-year contract period, Genoa officials said.

Two other East European players benefited from the East-West political thaw and the exposure at the World Cup to sign with Italian clubs.

Striker Marius Lacatus, 26, of Romania joined Fiorentina and his compatriot Florin Raducioiu, also a forward, signed with Bari.

Brazil, another disappointment at the World Cup, still provided three more players for the Italian first division.

Mazinho, a reserve World Cup defender, joined Lecce. Two others not on the World Cup team — striker Amarildo and defender Julio Cesar — went to Lazio and Juventus of Turin, respectively.

Turin's other major club, Torino, signed Spanish World Cup midfielder Martin Vásquez to a contract worth $2.5 million a year in salary, bonuses, housing and other benefits.

AFP

**Francescoli: Leaving Marseille.**

# SPORTS

## Reds Shut Out Expos, As Strawberry and Mets Knock Out Astros, 12-0

*Compiled by Our Staff From Dispatches*

It seems like every pitcher is coming close to a no-hitter these days. Every pitcher, that is, except those facing Darryl Strawberry and the New York Mets.

Tom Browning made the latest bid for baseball history, retiring the first 16 batters Tuesday night before combining with Randy Myers on a three-hitter as the Cincinnati Reds beat the Expos, 2-0, in Montreal.

Browning pitched a perfect game in 1988, but said he wasn't thinking about another one. "No way," he said. "I just wanted a win. We needed one."

Meanwhile, despite six no-hitters in the major leagues this season, no one is coming close to stopping Strawberry and the Mets. He hit two of the team's four home runs, including one of the longest ever at New York's Shea Stadium, as the Mets trounced the Houston Astros, 12-0.

Strawberry is streaking and so are the Mets. They have won 20 of 23, and Strawberry has 15 home runs and 36 runs batted in in his last 34 games.

Frank Viola became the first 12-game winner in the National League, pitching a five-hitter for his third shutout of the season. He walked three and struck out five in his 14th shutout in the majors, sending Houston to its 15th loss in the last 16 road games.

Strawberry hit an RBI single and Kevin McReynolds a three-run homer in the first.

Strawberry then hit a bases-empty homer in the third, and topped that in the fifth with a towering drive that went an estimated 450 feet (137 meters) and hit 30 feet up the scoreboard in right-center.

**Reds 2, Expos 0:** Glenn Braggs homered for the Reds as Browning bounced back from two bad starts, giving up three singles before leaving with one out in the ninth after his first two walks of the game.

**Dodgers 7, Cubs 6:** Kirk Gibson's two-run single capped a four-run ninth for the Dodgers in Los Angeles.

Mike Scioscia walked and Juan Samuel homered to bring the Dodgers to 6-5. Alfredo Griffin walked, Mike Sharperson singled and Lenny Harris sacrificed the runners into scoring position before Gibson bounced a single through a drawn-in infield.

**Giants 4, Cardinals 0:** Trevor Wilson pitched a five-hitter for his second shutout of the season and Robby Thompson drove in three runs with a two-run double and a sacrifice fly in San Francisco.

**Pirates 5, Padres 3:** In San Diego, R.J. Reynolds singled home the tie-breaking run in the ninth and the Padres lost their seventh straight.

**Phillies 5, Braves 1:** In Philadelphia, Dickie Thon singled in two runs and Jeff Parrett won his first major-league start. Parrett, a reliever for four years, gave up one unearned run on four hits and three walks while striking out five over five innings.

**Blue Jays 5, Angels 2:** In an American League game in Toronto, Junior Felix and Tony Fernandez hit consecutive triples in a three-run fifth inning to snap a 2-2 tie.

Toronto's Todd Stottlemyre gave up 10 hits, struck out eight and walked three in five innings but stranded 10 baserunners.

**Athletics 5, Brewers 0:** Curt Young and three relievers combined on a seven-hitter in Milwaukee, as Oakland gave manager Tony La Russa his 900th major league victory. Willie Randolph singled, doubled, tripled and had two RBI.

**Tigers 13, White Sox 7:** Lou Whitaker drove in five runs with a homer and a triple and Cecil Fielder had three RBI with a homer and a single in Chicago.

**Indians 9, Mariners 4:** Mitch Webster tripled home a run in a five-run first and added two RBI singles for the Indians in Cleveland.

**Rangers 7, Orioles 2:** In Arlington, Texas, Bobby Witt pitched a six-hitter, struck out seven and walked four in his first complete game of the season. Jack Daugherty doubled twice and scored two runs for the Rangers.

**Royals 6, Yankees 1:** In Kansas City, Missouri, Bo Jackson homered, singled and doubled and Steve Farr and three relievers held New York to four hits. *(AP, UPI)*

Stacey Kamaiszer/The Associated Press

**Catcher Mike Fitzgerald could only wait as Barry Larkin of Cincinnati scored on a two-base error. Larkin doubled, then scored when the ball caromed off the wall and past left fielder Marquis Grissom.**

## Cy Young? Twins' Rookie Unruffled

*The Associated Press*

MINNEAPOLIS — Kevin Tapani, the rookie with the Minnesota Twins, knows how to draw the tough assignments.

In his last four starts, Tapani has twice pitched against two-time Cy Young Award winner Bret Saberhagen, once against Nolan Ryan, baseball's all-time strikeout king, and once against Roger Clemens, another two-time Cy Young winner.

Tapani has won three of those starts, including Tuesday night's 7-3 victory over Clemens and the Boston Red Sox. It doesn't seem to have fazed him.

"I'm still just trying to get established," said Tapani, who gave up a run and seven hits in 7⅓ innings. "I can't worry about any assignments. I just go out and pitch."

Tapani cruised through seven innings, helped by two fine defensive plays. He lost his shutout in the eighth on a one-out walk to Wade Boggs, Jody Reed's single and pinch-hitter Kevin Romine's sacrifice fly off John Candelaria.

Rick Aguilera retired Tom Brunansky on a fly ball and went on to earn his 19th save. He gave up two runs in the ninth on Carlos Quintana's RBI double and Boggs's RBI single.

"He has a lot of poise," Clemens said of Tapani, the Twins' only regular starter with a winning record. "He stays within himself. He doesn't throw that hard, but he gets the pitches where he needs them."

For his part, Clemens allowed one earned run over seven innings but lost for the second time in his last three decisions.

He kept the Red Sox in the game until the sixth, when right fielder Brunansky dropped Kirby Puckett's two-out fly ball at the warning track, igniting a three-run uprising. After Kent Hrbek walked, Gary Gaetti's triple made it 3-0 and Gene Larkin, who had an RBI single in the second inning, followed with a run-scoring double.

Tapani retired the first 11 Boston batters before running into trouble with two out in the fourth. Consecutive singles by Mike Greenwell, Brunansky and Dwight Evans loaded the bases but first baseman Hrbek made a running catch of Ellis Burks's pop foul just before falling over the bullpen mound down the right-field line.

The Red Sox also threatened in the fifth when Quintana hit a one-out double. With two out, Boggs barely beat second baseman Fred Manrique's throw to first for an infield hit. Quintana attempted to score on the play but Hrbek's throw to catcher Brian Harper easily got him.

**VANTAGE POINT**/Ira Berkow

## *Those Forgiving Fans*

*New York Times Service*

NEW YORK — The lockout that was the plague and scourge of America during much of the month of March seems to have receded into the mists of history, like the Peloponnesian War. At most, a reference to it is occasionally made.

And fans, once professing a sickness unto the stomach with, as they saw it, both the grasping players and the rapacious owners, are now going about their business: that of yelling for their winners and assailing their losers.

"In the first week after the strike," said Paul O'Neill, the Cincinnati Reds' right fielder, "we'd hear some fans in the stands hollering at us about the lockout. They'd be grumbling about this or that. But now we don't hear any of that. I think they're just happy that we're nine games in front in our division."

It is close to the midway point in the season, and attendance at ball games is good — not just good, record-breaking. As of Tuesday morning, 878 playing dates in both the American League and the National League have been tallied, said Carole Coleman of the baseball commissioner's office, and the total number of fandom that has piled into the 26 big-league ball fields is 22,644,948.

This is an increase of 621,184, or 2.8 percent, over last year after 878 playing dates. And at regular season's end last year, 55,173,095 people had paid to see major league ball games in the flesh, setting an attendance record.

This was more than 2 million better than the 1988 season, when 52,173,095 spectators clicked through the turnstiles, which also set a record, and that was about 1 million better than the 1987 season, which set a record, which was 4.5 million better than the record-setting 1986 season, and likewise the season before that.

"I remember during the lockout this spring when people I knew told me, 'That's it, I've had it with baseball,'" Coleman said. "But I think the facts are pretty clear. Baseball fans are hooked."

ALL IS forgiven, if not forgotten. Tim McCarver, on a baseball broadcast, mentions that there will be a few games played next Wednesday, the day after the All-Star Game, normally a day off for all teams. Games are being tucked into assorted off days to get in the full 162-game schedule of a baseball season that was slightly truncated by the late start.

But the Cincinnati Reds' fans can't believe their luck that Lou Piniella, sprung loose by George Steinbrenner and his Yankee horde, has their darlings way in front in the standing, a welcome relief from the angst of last year, the dismal Pete Rose season.

The California and Kansas City and San Diego teams, which plunged into the free-agency market like boys in puddles after a rainstorm, and got soaked, have nonetheless each drawn more than a million fans so far this season, much of that interest generated surely by the excitement of their winter buying sprees.

In Shea Stadium last Saturday afternoon, in the brilliant sunshine, close to 50,000 fans, the largest gate of the season for the suddenly hot New York Mets, showed up for a big game against the Reds.

In the mezzanine, a man came with two sons and one baseball glove, like so many others there, in case, of course, a foul ball was hit to them. The father sat throughout the game with the glove on, leaning forward in anticipation like an outfielder before every pitch.

By the sixth inning, he appeared exhausted from his exertion. The kids didn't seem to mind that the old man hogged the glove. They had their hands full with hot dogs.

Behind them sat a man named Peter and his son Paul. They discussed the merits of Carreon over McReynolds in left field, and the advisability of replacing Cone with Musselman.

At the seventh-inning stretch, Peter, who was born in Austria but came to America at age 10, stood with the crowd as "Take Me Out to the Ball Game" was played. The fans sang and waved their orange caps.

"This is America," he said. "People in other countries don't understand this. But this is America."

And he sang and waved his cap, too, one of the legion of formerly disgruntled fans.

## Trump Says He Had Deal For Rematch

By Phil Berger
*New York Times Service*

NEW YORK — While Mike Tyson was losing his heavyweight title to James (Buster) Douglas last February in Tokyo, Donald Trump and Don King, promoter of both fighters, were apparently agreeing that Trump would get the live-site rights to a Douglas-Tyson rematch at Convention Hall, which adjoins Trump Plaza, in Atlantic City, New Jersey.

"At the end of the fight, we had an absolute discussion and shook hands on a rematch for $12.5 million," Trump said Tuesday from the witness stand of the trial in U.S. District Court here, in which Douglas and King are disputing their contract.

Trump, who sat next to King at ringside in Tokyo, said the rematch was to replace a planned bout between Tyson and Evander Holyfield.

Rematches are prohibited by the rules of boxing's governing bodies, but in special circumstances exceptions are granted.

But no exception had been approved at the time King and Trump reached their supposed agreement.

The Douglas-Tyson rematch had been scheduled for this June, but when Douglas and his manager, John Johnson, decided King had had a role in trying to overturn the result of Douglas's knockout of Tyson, they argued that King was in breach of contract and made other plans.

Douglas is scheduled to fight Holyfield on Sept. 21 at the Mirage Hotel in Las Vegas.

King, who insists he has a valid contract and is suing Douglas and Johnson for not living up to it, is also suing the Golden Nugget Inc. and its subsidiary, the Mirage, for interference with his contract.

On cross-examination, Douglas's attorney, Stan Hunterton, pressed Trump on whether King had openly rooted for Tyson during the bout against Douglas, but Trump said that while he assumed King was for Tyson, it made no impression on him.

"He might have done it, but I don't remember," Trump said.

What Trump did recall was turning to King during the fight and telling him: "You can't lose on this one."

"And King," Trump said, "said he can't lose on this one."

# BOOKS

**A MIRACLE, A UNIVERSE: Settling Accounts With Torturers**

*By Lawrence Weschler. 293 pages. $22.95. Pantheon Inc., 201 East 50th Street, New York, N. Y. 10022.*

Reviewed by Tina Rosenberg

A WOMAN who worked at the United Nations for the government of General Augusto Pinochet was speaking to Orlando Saenz, a former economic adviser to Pinochet who had become an opponent of the Chilean regime. It was the early 1980s and the woman had returned to Chile on vacation. She had chanced to read a magazine interview in which her old friend Saenz talked about torture in Chile. Though she knew Saenz was anti-Pinochet, she chided him that he had become unbalanced. "I know no one who has been tortured," she said.

Saenz told her that when he had been in the government, his girlfriend came to him in tears to report that her sister-in-law had been taken by the security forces. After an intense search he found her, in a clandestine prison, and used his influence to arrange a visit by his girlfriend. The sister-in-law had been beaten and tortured. The woman turned pale and began to cry. She had been his girlfriend; it was her sister-in-law who had been tortured. "Would you believe me if I tell you I forget?" she said to Saenz. "I am a very appreciative person. These years have been good to me. Part of my appreciation is forgetting."

"A Miracle, a Universe" is about memory, and the efforts of people in Brazil and Uruguay, two torture-scarred lands, to confront the nightmare of their years under oppressive regimes. In Brazil, Lawrence Weschler (a staff writer for The New Yorker, where much of this book was first published) makes a gripping tale out of adventures in photocopying. He writes of the secret efforts of a small group of people, led by the Roman Catholic cardinal of São Paulo, to spirit away the military government's own detailed records of torture, copy them under the military's nose and convert the information into a book, "Brasil: Nunca Mais" ("Brazil: Never Again"), that appeared one day on bookstore shelves, too late for the military to stop.

In Uruguay, Weschler writes about how the country known in the United States as "the Great Exception," Latin America's democratic welfare state where soldiers had so few military tasks that they also collected leaves, became the continent's torture house in 1973. Its principal chamber of horrors was a behaviorist prison named Libertad, whose purpose was to drive inmates insane. Later, with the military out of power and protected by a self-amnesty, a group of human rights activitists decided to push for a public referendum to revoke impunity for the torturers.

Uruguayans chose prudence over justice after their generals made it quite clear that attempts to bring them to trial would have grave consequences. These consequences were visible in neighboring Argentina after its return to democracy in 1983. President Raúl Alfonsín began historic trials for the military junta's crimes. But army officers staged three uprisings protesting the trials, forcing Alfonsín to end them prematurely. His successor, Carlos Menem, has promised to pardon even those generals convicted, by the end of the year.

But if impunity seemed to protect Uruguay's democracy in the short term, this is not necessarily the case over longer periods. Perhaps the certainty of trial would discourage further coups, disappearances and torture. After the publication of "Argentina: Nunca Más" and "Brasil: Nunca Mais," a Commission on Truth and Reconciliation in Santiago is at this moment working on what may become "Chile: Nunca Más." The prospects for justice are dim; the military amnestied itself for the bulk of its crimes. If the new civilian president revokes the amnesty, Pinochet, who remains as army commander in chief, promises to make it difficult for him to govern.

*Tina Rosenberg, who lived in Latin America for five years, is a resident associate at the Carnegie Endowment and the author of a forthcoming book on violence in Latin America. She wrote this for The Washington Post.*

# BRIDGE

By Alan Truscott

IN the last three decades, thousands of players have benefited from group classes taught in New York State and Florida by Bill Root, who has a good claim to be considered the world's premier bridge teacher as well as a player of the highest rank. The rather greater number who have not had that advantage can get much the same effect by buying his latest book "How to Play a Bridge Hand," published by Crown. The book has 300 deals, many in quiz format, covering topics varying from suit combination to deception and psychology. In one of them the reader is invited to play six no-trump with the North-South cards shown in the diagram. (The East-West cards are hidden.) No bidding is given, but modern players might well follow the sequence shown: A two-heart transfer, showing spade length, followed by four no-trump to show a hand worth a slam invitation. South's best chance for 12 tricks is to finesse in clubs, but it would be a mistake to try that immediately, for there would be no fallback position if the finesse failed. The declarer should immediately finesse the spade ten. If this happens to win he crosses to dummy and takes the club finesse. If the spade finesse loses he will be able to play off the spade ace, establishing spades as the cards lie without needing to fall back on the club finesse. And of course if East puts up a spade honor it is easy to win and continue spades, again dispensing with the club finesse.

NORTH
♠ J9852
♡ KQ
♢ AQ10
♣ QJ3

WEST
♠ K763
♡ 10986
♢ 97
♣ K82

EAST
♠ Q4
♡ 7543
♢ 8652
♣ 754

SOUTH (D)
♠ A10
♡ AJ2
♢ KJ43
♣ A1096

Both sides were vulnerable. The bidding:

| South | West | North | East |
|---|---|---|---|
| 1 N.T. | Pass | 2♡ | Pass |
| 2♠ | Pass | 4 N.T. | Pass |
| 6 N.T. | Pass | Pass | Pass |

West led the heart ten.

PEANUTS

BEETLE BAILEY

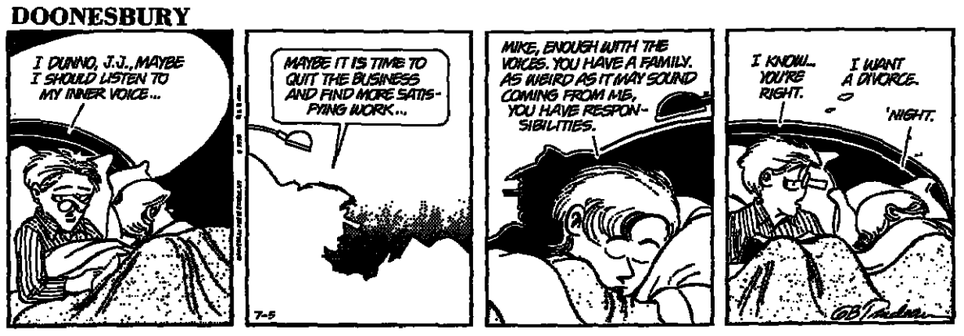
ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

DOONESBURY




DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NYKAL

TAGEA

YALERN

SHIGLE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A ____ OF ____

(Answers tomorrow)

Yesterday's Jumbles: DINER CHAOS PERSON TRUSTY
Answer: How the nurse knew the kid had measles— SHE "SPOTTED" IT

BLONDIE

# SPORTS

## Injured Fignon Drops Out In Tour de France's 5th Stage

*The Associated Press*

ROUEN, France — Laurent Fignon of France dropped out of the Tour de France during Wednesday's fifth stage, again having found misfortune in the famed bicycle race.

Steve Baner of Canada retained the overall lead after the rain-soaked longest stage of the three-week race, 301 kilometers (187 miles) through northern France. (See Scoreboard)

Greg LeMond of the United States, who overtook Fignon to beat him by eight seconds on the final day of the Tour de France last year, stayed more than 10 minutes behind through another moderately flat route.

The 29-year-old Fignon fell victim to a number of mishaps that wore on him mentally and physically over the last three days.

He hurt his calf in a fall Monday, then lost 44 seconds Tuesday because of a fall involving riders ahead of him.

He quit about three hours into Wednesday's stage in Normandy, which began with him in 47th place among the 197 riders. He was 11 minutes, 16 seconds behind frontrunner Bauer but less than two minutes behind LeMond and most other leading contenders.

He hurt himself last month in the Tour of Italy, and hadn't fully recovered, according to the director of his Castorama team, Cyrille Guimard.

"It's been a bad year," said Guimard. "He's cursed."

Fignon quit after 124 kilometers (77 miles) of Wednesday's 301-kilometer stage, but Guimard said the leg began hurting early in the day.

"The pain was increasing," Guimard said. "It was impossible to continue and wait for the transfer day [Thursday] that might have enabled him to recover."

The stage was set for another dull day until about 124 kilometers from the start in Avranches.

Outside the food station, a number of riders fell, slowing the large group, including Fignon. Fignon made a U-turn and rode against the pack looking for his team car.

He then got off the bike and got into the car, officially quitting the race for the third time in four years after winning in 1983 and 1984.

Fignon was unavailable for comment. On Tuesday, following that stage, he brushed past reporters.

Wednesday's leg was won by Dutch rider Gerrit Solleveld by more than four minutes, with Tuesday's stage winner, Johan Museeuw of Belgium, second.

Bauer again finished in the pack to lead for the fourth straight day. He now has 30 seconds over Ronan Pensec of France with Frans Maassen of the Netherlands dropping to third, 33 seconds back.

Bauer gained a big lead over LeMond and the others Sunday. Then he broke away with three others and built a 10-minute gap over the pack.

The riders have a day off Thursday as the tour heads to eastern France to begin the sixth stage on Friday from Sarrebourg. Then an individual time trial from Vittel to Epinal on Saturday will give the racers a chance to gain time after five flat stages.

Agence France-Presse

After more mishaps than he could handle in the Tour de France, two-time winner Laurent Fignon quit the race in the fifth stage.

Steve Holland/The Associated Press

For four hours, the only action to watch was the rain drops falling.

## Lendl Reels Into Semis With Becker and Edberg

*The Associated Press*

WIMBLEDON, England — Ivan Lendl staggered into the semifinals at Wimbledon on Wednesday with an uninspired victory over a tough American ranked 120th in the world.

The top seed needed 2 hours, 45 minutes and three match points to finally get by Brad Pearce, who describes himself as the best player in Provo, Utah. The score was 6-4, 6-7, 6-4.

Boris Becker and Stefan Edberg, the bosses of Wimbledon in recent years, reached the semifinals with straight-set victories on a rainy day.

Becker, the defending titlist and champion three times since 1985, beat seventh seeded Brad Gilbert of the United States, 6-4, 6-4, 6-1.

Edberg, the 1988 winner who was runner-up to Becker a year ago, reached his fourth consecutive Wimbledon semifinals with a 6-3, 6-2, 6-4 victory over fellow Swede Christian Bergstrom.

Edberg goes against Lendl next.

Becker will play 18-year-old Yugoslav Goran Ivanisevic, who upset him in the first round of the French Open last month. Ivanisevic used more than two dozen aces to beat U.S. veteran Kevin Curren, 4-6, 6-4, 6-4, 6-7 (8-10), 6-3.

Those matches were taking place on showcourts at the same time as the others. Rain throughout the morning and early afternoon delayed the start of play by almost four hours and — with more rain forecast for Thursday — officials decided to spread the quarterfinals around to show courts, rather than hold two each on Centre Court and Court 1 as is usually done.

When Lendl and Pearce took Centre Court for their match, it looked as if the outcome would be quick and predictable. Lendl broke Pearce in the first game and went up, 2-0, before Pearce found his pace.

He used a devastating service-return game and incredible gets to stay on Lendl's tail. Lendl held for the first set, shaking his head in disbelief, after Pearce kept the rally going with a run-down of a rocket-like forehand volley.

In the second set, Pearce was up by 4-1 before Lendl — bothered by off-court public address announcements and a variety of birds strutting around on the grass — came back. He ran off the last five games to take a two-set lead, but it wasn't easy and it didn't get any easier.

Pearce and Lendl exchanged service games through the first 11 games of the third set, and then Pearce got tougher. He broke for the set on a backhand crosscourt



return on Lendl's second serve, pumping his fist as it landed.

There were shadows creeping across the court when Lendl finally broke away. The key point came at 4-4, 30-40, when a backhand crosscourt passing shot by Lendl landed close to the line. The judge called it good, but Pearce, standing just feet away, was sure it was out. He stared at the judge and kicked the turf, but the call stood.

Pearce wasn't through yet. Lendl had double-match point on a wide backhand by his opponent, but lost one on a double fault and the second on a backhand return down the line on a hard first serve.

Lendl got a third match point on a service winner and closed it on a forehand crosscourt by Pearce that was barely long.

Edberg, the third seed, played textbook serve-and-volley tennis in the first two sets on Court 14 against Bergstrom, an unseeded 20-year-old. He came down a step in the third set but, even then, he was too good for Bergstrom.

In the final set, there were seven breaks, with Bergstrom breaking in the second, sixth and eighth games and Edberg in the first, third, fifth and seventh.

Edberg looked sloppy during that stretch, with four foot-faults from the sixth game on, hitting loose volleys long and sending groundstrokes all over the place.

But he pulled through by breaking Bergstrom for the last time on Bergstrom's long forehand. Edberg held serve for the match, getting the last point on an overhead smash.

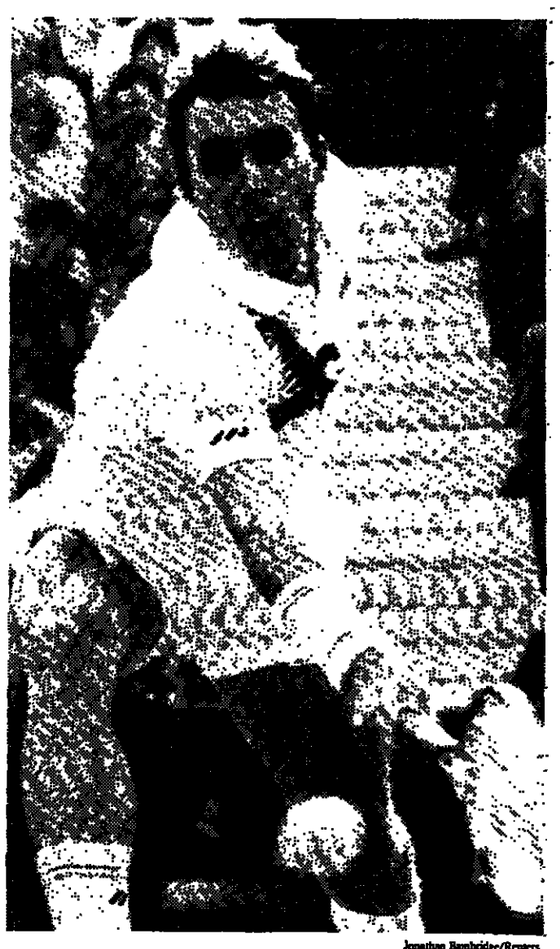
Becker, too, used his serve-and-volley game to beat Gilbert.

Gilbert broke serve just once, to tie the first set at 3, but after that Becker lost just three points on his next seven service games — including three straight at love.

The American had trouble with his first serve throughout the match, lost serve twice in the first set, once in the second and three times in the third.

But Gilbert also found the rhythm of Becker's serve in the chill, blustery conditions on Court 2, the one known as the "Graveyard of Champions." Still, Becker was one champ who wasn't going down on the outside court.

Becker closed the match for his third consecutive semifinal berth here by breaking Gilbert for the final time. Gilbert started with a double-fault, his fourth, and four points later Becker whipped a forehand passing shot for the winner.



Jonathan Bainbridge/Reuters

Top-seeded Lendl needed almost three hours to beat Brad Pearce, the best player in Provo, Utah, by the score of 6-4, 6-4, 5-7, 6-4.

## SCOREBOARD

### BASEBALL

#### Major League Standings

AMERICAN LEAGUE

| East Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Boston | 45 | 32 | .584 | — |
| Toronto | 43 | 37 | .538 | 3½ |
| Cleveland | 38 | 38 | .500 | 6½ |
| Detroit | 38 | 42 | .475 | 8½ |
| Baltimore | 34 | 43 | .442 | 11 |
| Milwaukee | 33 | 42 | .440 | 11 |
| New York | 28 | 47 | .373 | 16 |
| **West Division** | | | | |
| Oakland | 49 | 27 | .645 | — |
| Chicago | 47 | 27 | .635 | 1 |
| Seattle | 40 | 39 | .506 | 10½ |
| California | 39 | 40 | .494 | 11½ |
| Minnesota | 37 | 40 | .481 | 12½ |
| Texas | 36 | 43 | .456 | 14½ |
| Kansas City | 33 | 43 | .434 | 16 |

NATIONAL LEAGUE

| East Division | W | L | Pct. | GB |
|---|---|---|---|---|
| Pittsburgh | 46 | 30 | .605 | — |
| New York | 43 | 30 | .589 | 1½ |
| Montreal | 43 | 36 | .544 | 4½ |
| Philadelphia | 38 | 37 | .507 | 7½ |
| Chicago | 34 | 46 | .425 | 14 |
| St. Louis | 32 | 46 | .410 | 15 |
| **West Division** | | | | |
| Cincinnati | 47 | 27 | .635 | — |
| San Francisco | 40 | 38 | .513 | 9 |
| Los Angeles | 38 | 39 | .494 | 10½ |
| San Diego | 35 | 40 | .467 | 12½ |
| Atlanta | 31 | 44 | .413 | 16½ |
| Houston | 32 | 46 | .410 | 17 |

#### Tuesday's Line Scores

AMERICAN LEAGUE

Seattle 000 211 000—4 8 1
Cleveland 300 003 01x—9 13 1
M. Young, Swift (6) and Valle; Nipper, Seanez (6), Jones (9) and Alomar. W—Nipper, 2-1. L—M. Young, 2-9.

Boston 000 000 012—3 11 1
Minnesota 010 003 03x—7 10 0
Clemens, Gray (8), Je. Reed (8) and Pena; Toponi, Candelaria (8), Aguilera (9) and Harper. W—Toponi, 9-5. L—Clemens, 12-4. Sv—Aguilera (19).

California 001 100 000—2 15 0
Toronto 002 020 02x—5 10 0
Blyleven, Bailes (5), Fraser (6) and Parrish; Stottlemyre, Wills (6), Henke (9) and Myers. W—Stottlemyre, 9-7. L—Blyleven, 7-5. Sv—Henke (14).

Baltimore 100 000 001—2 6 1
Texas 302 000 02x—7 7 1
Mitchell, Holton (3), Ballard (4), McDonald (6), Hickey (8) and Tettleton; B. Witt and Petrelli, Stanley (9). W— B. Witt, 5-8. L—Mitchell, 0-2. HR—Baltimore, Orsulak (7).

Detroit 200 530 030—13 17 4
Chicago 003 103 000— 7 12 1
DuBois, Nunez (4), Gleaton (5) and Salas; King, Edwards (4), Pall (8), Patterson (8) and Fisk. W—Nunez, 3-8. L—King 8-2. Sv—Gleaton (2). HRs—Detroit, Fielder (27), Whitaker (11). Chicago, Sosa (8), Fisk (7).

New York 000 001 000—1 4 0
Kansas City 101 102 10x—5 10 0
Leary, Guetterman (6), Mills (7) and Geren, Leyritz (8); Farr, Crawford (6), M. Davis (8), Montgomery (8) and Macfarlane. W—Farr, 6-3. L—Leary, 3-11. Sv—Montgomery (8). HR—Kansas City, Jackson (14).

Oakland 200 102 010—6 9 0
Milwaukee 000 000 000—0 9 1
C. Young, Burns (6), Honeycutt (7), Nelson (8) and Quirk; Krueger, Edens (6), Mirabella (8), Veres (9) and C. O'Brien. W—C. Young, 4-2. L—Krueger, 4-4.

NATIONAL LEAGUE

Cincinnati 100 100 000—2 9 1
Montreal 000 000 000—0 2 0
Browning, Myers (9) and Oliver; Smithand Fitzgerald. W—Browning, 8-5. L—Smith, 4-6. Sv—Myers (16). HR—Cincinnati, Braggs (3).

Houston 000 000 000— 0 5 0
New York 401 120 40x—12 15 0
Portugal, Hernandez (5), Clancy (7) and Bissio; Viola and Sasser. W—Viola, 12-8. L—Portugal, 3-8. HRs—New York, McReynolds (13), Strawberry 2 (19), Boston (6).

Atlanta 010 000 000—1 5 0
Philadelphia 200 002 20x—5 7 0
Clary, Mercker (6), Kerfeld (8) and Kremers; Olsen (6); Parrett, Cook (6) and Daulton. W—Parrett, 3-4. L—Clary, 1-4. Sv—Cook (1). HR—Philadelphia, Herr (4).

St. Louis 000 000 000—0 5 1
San Francisco 000 300 01x—4 10 0
Tewksbury, DiPino (7) and Zeile; Wilson and Kennedy. W—Wilson, 5-8. L—Tewksbury, 3-1.

Pittsburgh 000 000 222—6 10 0
San Diego 000 011 100—3 6 0
Drabek, Kipper (7), Landrum (8) and LaValliere; Whitson, Grant (8), Lefferts (8), Harris (9) and Parent. Ra.Reynolds (8). W—Landrum, 3-1. L—Lefferts, 3-4.

Chicago 001 201 200—6 11 0
Los Angeles 300 000 004—7 11 2
Bielecki, Assenmacher (9) and Girardi; Wells, Gott (7), Hartley (8) and Sciscia. W—Hartley, 1-1. L—Assenmacher, 2-2. HRs—Chicago, Villanueva (6); Salazar (6). Los Angeles, Samuel (6).

#### Japanese Leagues

Central League

| | W | L | T | Pct. | GB |
|---|---|---|---|---|---|
| Yomiuri | 41 | 26 | 0 | .612 | — |
| Taiyo | 33 | 29 | 2 | .532 | 5½ |
| Chunichi | 32 | 33 | 1 | .492 | 8 |
| Hiroshima | 31 | 32 | 1 | .492 | 8 |
| Yakult | 29 | 35 | 0 | .453 | 10½ |
| Hanshin | 27 | 38 | 0 | .415 | 13 |

Pacific League

| | W | L | T | Pct. | GB |
|---|---|---|---|---|---|
| Seibu | 41 | 19 | 1 | .683 | — |
| Orix | 35 | 24 | 2 | .593 | 5½ |
| Nippon Ham | 33 | 28 | 0 | .541 | 8½ |
| Kintetsu | 28 | 32 | 1 | .467 | 13 |
| Lotte | 22 | 31 | 1 | .426 | 15 |
| Daiei | 15 | 41 | 3 | .268 | 24 |

*Wednesday's Games*
Yomiuri 11, Hanshin 7
Chunichi 6, Hiroshima 0
Yakult 7, Taiyo 2
Seibu 4, Orix 3
Kintetsu 6, Daiei 5, 11 innings
Nippon Ham 4, Lotte 2

### CYCLING

#### Tour de France

Results Wednesday from the fifth stage, a 301-kilometer (187-mile) leg from Avranches to Rouen St. Michel:

1. Gerrit Soeleveld, Buckler, Netherlands, 7 hours, 43 minutes, 7 seconds; 2. Johan Museeuw, Lotto, Belgium, 4:27 behind; 3. Etienne De Wilde, Histor, Belgium, 4:27; 4. Olaf Ludwig, Panasonic, East Germany, 4:30; 5. Eric Vanderaerden, Buckler, Belgium; 6. Adriano Baffi, Ariostea, Italy; 7. Davis Phinney, 7-Eleven, U.S; 8. Sean Kelly, PDM, Ireland; 9. Soren Lilholt, Histor, Denmark; 10. Adrie Van der Poel, Weinmann, Netherlands, all same time;

*Overall Standings*

1. Steve Bauer, 7-Eleven, Canada, 23:20:57; 2. Ronan Pensec, Z, France, 30; 3. Frans Maassen, Buckler, Netherlands, 33; 4. Claudio Chiappucci, Carrera, Italy, 1:05; 5. Gerrit Solleveld, Buckler, Netherlands, 7:28; 6. Raul Alcala, PDM, Mexico, 10:02; 7. Stephen Rooks, Panasonic, Netherlands, 10:09; 8. Sean Kelly, PDM, Ireland, 10:09; 9. Allan Peiper, Australia, Panasonic, 10:16; 10. Guy Nulens, Panasonic, Belgium, 10:18.

### TENNIS

#### Wimbledon

*Men's Singles*
*Quarterfinals*

Ivan Lendl (1), Czechoslovakia, def. Brad Pearce, U.S., 6-4, 6-4, 5-7, 6-4; Boris Becker (2), West Germany, def. Brad Gilbert (7), U.S., 6-4, 6-4, 6-1;

Goran Ivanisevic, Yugoslavia, def. Kevin Curren, U.S., 4-6, 6-4, 6-4, 6-7 (8-10), 6-3; Stefan Edberg (3), Sweden, def. Christian Bergstrom, Sweden, 6-3, 6-2, 6-4.

### TRANSACTIONS

BASEBALL

*American League*

BALTIMORE—Optioned Donell Nixon, outfielder, to Rochester, International League. Recalled Sam Horn, first baseman, and Ben McDonald, pitcher, from Rochester.

OAKLAND—Activated Reggie Harris, pitcher, from 15-day disabled list. Sent Doug Jennings, outfielder, to Tacoma, Pacific Coast League.

*National League*

CINCINNATI—Signed Rick Langford, pitcher, and assigned him to Reds' farm team in Gulf Coast League.

PITTSBURGH—Put Don Slaught, catcher, on 15-day disabled list. Recalled Dann Bilardello, catcher, from Buffalo, American Association.

SAN DIEGO—Optioned Jerald Clark, outfielder, to Las Vegas, Pacific Coast League. Recalled Thomas Howard, outfielder, from Las Vegas.

HOCKEY

*National Hockey League*

BUFFALO—Acquired John Tucker, center, from Washington for an undisclosed amount of cash.

MINNESOTA—Signed Ilkka Sinisalo, left wing.

N.Y. ISLANDERS—Bought out contract of Bryan Trottier, center.

COLLEGE

AUGUSTA, GA.—Said it will withdraw from NCAA Division I, drop out of Big South Conference, effective September 1991, and seek membership in Peach Belt Conference on Division II level.

CINCINNATI—Jim Schmitz, baseball coach, resigned.

CORNELL—Named Louis Dussling Jr. track coach.

## SIDELINES

### Mouland Leads Field at Monte Carlo

MONTE CARLO (AP) — Welsh-born Mark Mouland, shooting a six-under-par 63, took the lead after the first round Wednesday in the $595,000 Monte Carlo Open golf tournament.

Veteran Hugh Baiocchi of South Africa was second at 64 and José-María Canizares of Spain, the runner-up here last year, third at 65.

"Once you get under par you feel you can birdie every hole here," said Mouland, who bogeyed eight of them and dropped two shots when he drove into trees at the first and three-putted the eleventh.

Ryder Cup star Ian Woosnam from Wales shot 66 to share fourth place with Sweden's Peter Hedblom.

### Germanys Seek Olympic Unity by '92

EAST BERLIN (Reuters) — East and West Germany said on Wednesday they would unite their Olympic committees, probably this year, and send a joint team to the 1992 summer and winter games.

The West German National Olympic Committee president, Willi Daume, and East Germany's committee chief, Joachim Weiskopf, said after their first official meeting that they would also back united Berlin's candidacy to host the Games in 2000 or 2004.

Weiskopf said the two committees would meet Monday to begin drawing up concrete plans for how the two German teams would merge and train together.

As the two German states grow closer together, there has been uncertainty among athletes because they could find themselves stranded out of a joint team through lack of places.

"The main task is to form joint Olympic teams," Weiskopf said. "All other work, such as uniting the NOCs, serves this purpose."

### Soviet Goodwill Team Announced

INDIANAPOLIS (UPI) — The world-record holder in the pole vault, Sergey Bubka, leads the 91-member track and field squad from the Soviet Union in this year's Goodwill Games July 20-Aug. 5 in Seattle, The Athletics Congress announced Tuesday.

Bubka, 26, has broken the world pole vault mark nine times in the past seven years, and currently holds the record of 19 feet, 10½ inches (6.04 meters). His toughest competition at Seattle will likely be teammate Rodion Gataullin, 24, the 1988 Olympic silver medalist.

The Soviet team includes two other world record holders: Galina Chistyakova in the long jump and Natalya Lisovskaya in the shot put.

### American To Make Sumo Debut

TOKYO (AP) — Wayne Vierra, a former high school wrestling and judo champion in Hawaii, has passed the opening physical examination to enter the ranks of sumo wrestling.

The Sumo Association of Japan said Vierra's debut will be next Tuesday, on the third day of the 15-day Nagoya Grand Sumo Tournament. If he can win three bouts in the Nagoya tournament, he will advance to sumo's lowest regular division, jonokuchi, for the next tournament.

Vierra, whose ring name is Kamiikiiwa (God Stone), will be the 22nd non-Japanese among about 800 sumo wrestlers. He will be the fourth American in the training stable of former junior champion Jesse Kuhaulua, a Hawaii native who, under the sumo name of Takamiyama, wrestled for 20 years. He retired in 1984.

### Score, 2 Turnovers for Flutie in CFL

WINNIPEG, Manitoba (AP) — Doug Flutie scored his first Canadian Football League touchdown but two other American stars struggled as the B.C. Lions dumped the Winnipeg Blue Bombers, 36-20, in an exhibition game.

Flutie, who played most of the second half on Tuesday night, dove over from the one-yard line for a touchdown midway through the third period. He looked sharp at times, but lost one fumble at the Winnipeg goal line and threw an interception.

Former West Virginia star Major Harris, who's also battling for the quarterback job, got the start but was sacked three times before being replaced.

Mark Gastineau drew jeers from the crowd of 32,111 on his first down since retiring from the New York Jets in 1988 when he was called for objectionable conduct. He was otherwise not a factor despite playing the entire game.

### For the Record

Bryan Trottier, 33, the New York Islanders' career scoring leader with 500 goals and 853 assists in 15 seasons and the last active member of all four of the Islanders' Stanley Cup championship teams, was released on Tuesday. *(NYT)*

Jack McKeon, manager and president of baseball operations for the San Diego Padres since Dec. 2, said he wants to end his managing days at the end of this season and return to working exclusively in the front office. *(AP)*

### *Attendance Off by 50,000*

*Reuters*

LONDON — World Cup soccer fever and tighter safety rules have slashed the crowds at the Wimbledon tennis championships by 50,000, according to official figures.

Attendance is down by almost 15 percent compared with 1989, largely because of the reduced capacity ordered by safety experts and the lure of the World Cup on television.

The All England Club, which runs Wimbledon, has limited crowd numbers to 28,000 a day after being forced to redesign and rebuild some of the stands to comply with new safety regulations.

Officials anticipated a decline in attendance — they estimate the final total for the two weeks will be around about 350,000, well below the record of 411,270 set in 1988 — but are worried by the number of empty seats on the show Centre and No. 1 courts.

Corporate hospitality firms, which buy up large blocks of seats for their clients, are widely blamed for making it still more difficult for ordinary spectators to buy tickets.

For the first time this year the club has refused to guarantee that everyone queuing outside the gates will eventually be admitted. Now, when space runs out, the only way in is if spectators hand over their tickets when they leave.

The highest single day's attendance so far this year was 31,332, on Friday. The record was set in 1986, when 39,813 spectators watched play on the Thursday of the first week.

## *U.S. Coast Guard Crew Needs Rescuing at Henley*

*The Associated Press*

HENLEY-ON-THAMES, England — "Coast guard rescued" made one of the strangest stories to come from the Henley Royal Regatta on an Independence Day when American crews enjoyed mixed fortunes.

But although the tale brought a smile to the face, it had its tragic side for the trainees of the U.S. Coast Guard Academy in Connecticut, whose crew of eight was competing for the first time in the 151-year-old Edwardian-style event.

When the academy's No. 2 oarsman, Greg Hobbs, was flung into the river after his blade hit a buoy, the crew had rowed a mere four strokes in an event that had cost it $20,000 and considerable effort to take part in.

Henley's uniquely narrow course, which creates head-to-head competition instead of the normal multi-lane racing, saw several other mishaps on a stormy day. One of them was of considerable benefit to an American crew.

A collision with a boom in the Wyfold Cup cost an English four from Furnivall Sculling Club a two-length lead against the Palm Beach Rowing Association, and the Florida crew went on to win easily.

There were defeats for Mystic Valley Rowing Association from Boston in the Britannia Cup for coxed fours, while two Connecticut eights, Trinity College, Hartford, and Wesleyan University, were both knocked out of the Thames Cup.

In the Henley Prize, there was an encouraging victory for the seeded eight from Orange Coast College in Newport, California, who won more comfortably than suggested by the 1¼-length margin against University College, Oxford.

The Coast Guards' demise meant unexpectedly rapid progress for the Canadians from Brentwood College School in The Henley Prize, a new event created because of the popularity of races for eights.

The accident happened immediately after the start in appalling conditions of strong wind and driving rain. Although the academy gallantly tried to continue, the boat was so lop-sided it went straight into a boom.

The collision caused a long gash in a shell that had been borrowed from the British national squad, and understandably left cox Bryan Gavin in tears.

It was one of the school's best crews and had lost only once during the season, Gavin said.

"We were blown into the buoy," said Hobbs.

"The next thing I knew I was hanging halfway out of the boat. I had no choice but to go into the river."

**ACROSS**

1 Dennis the Menace, e.g.
5 Egyptian menaces
9 Persona's counterpart
14 Demolish
15 Donahue or Harris
16 Legislator
17 Harpsichordist Kipnis
18 Corn bread
19 Limitation
20 Assist
23 Distribute
24 Gun org.
25 Shade of blue?
27 Go to one's assistance
34 Yield
35 Batman and Robin, e.g.
36 Pope or Swift product
37 Charlemagne's dom.
38 Storage box
40 McGraw of pitching fame
41 Makes suitable
45 —— Angeles
47 Flying phenoms
48 Need no assistance
51 Lake fed by the Amu Darya
52 "Exodus" hero
53 Fight for breath
56 Assist, in a way
62 Kind of TV board or card
64 One of radio's Goldbergs
65 Memorable cartoonist
66 Buckeye
67 Gets by, with "out"
68 Savoir-faire
69 Correct
70 Bears' abodes
71 Spuds' buds

**DOWN**

1 Ship's slammer
2 East Indian cereal grass
3 Sea next to Crimea
4 Silver screen's Stamp
5 Show one's appreciation
6 Ghillie or wingtip
7 Engine sound
8 Olivier-Caine movie: 1972
9 Obstinate one
10 "She looketh as butter would —— In her mouth": Heywood
11 Netman Nastase
12 —— Blanc
13 Poker payment
21 Actress Joan Van ——
22 G.W. was one
26 N.A. country
27 Concealed
28 Paragon
29 Place to obtain a pint
30 Labors
31 Gee follower
32 Vinegar bottle
33 Deliveries to 29 Down
34 Fellow
39 Today
42 Oliver Stone's Oscar winner: 1986
43 Crag
44 Unexpected difficulty
46 Croaker
47 Stir up
49 Emulated Jessica
50 Author Levin
53 Type size
54 "—— 12," TV oldie
55 Supreme Court number
57 Capture
58 Tournament won by Strange: 1988 and 1989
59 Cause to ravel
60 Susann's "—— Is Not Enough"
61 Deteriorates
63 Danson of "Cheers"

Solution to Previous Puzzle

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| T | H | E | F | O | U | R | T | H | O | F | J | U | L | Y |
| | | A | U | N | T | S | | R | E | U | S | E | | |
| | C | E | N | T | I | | | E | R | S | | | | |
| P | A | N | T | | T | E | S | T | | | T | R | E | T |
| E | T | C | | P | E | N | T | A | | P | E | E | L | E |
| T | H | O | M | A | S | J | E | F | F | E | R | S | O | N |
| R | A | D | A | R | | O | R | I | O | N | | O | P | T |
| O | Y | E | R | | | Y | E | A | R | | P | R | E | S |
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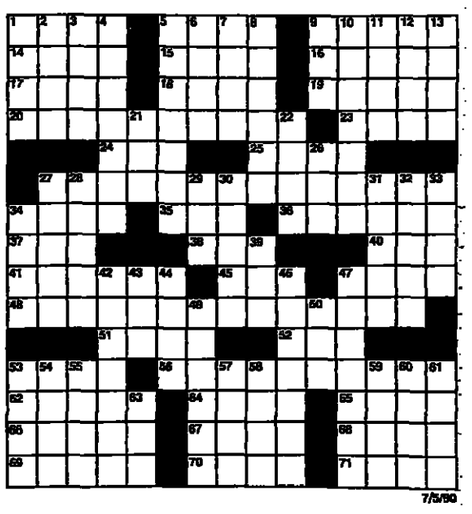

7/5/90

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## ART BUCHWALD

# The 'In' Word Is Cash

WASHINGTON — For the most part, the main congressional political battles in November will be between the incumbents and the challengers. The smart money is on the incumbents who are leading the challengers with odds of 8 to 1.

I visited the training camp of Senator Sang Froid, who is up for re-election and has victory written all over him.

Buchwald

I talked to Artie Maytag, the senator's manager.

"Your boy looks good," I told him.

"We're taking this match seriously. We are asking every political action committee to double their PAC contribution because we're tired of being known as the 'Filene's Basement' of the Senate."

□

While we were talking, a man came up and gave Artie a satchel of bills.

"The senator blesses you," Artie told him. Then he explained to me who the man was. "He represents the solid waste hubcap industry, and they consider Sang the best friend they have on The Hill."

"Doesn't the lobbyist even get to go to a fund-raising dinner for that?" I asked.

"Dinners went out with narrow lapels. Now it's cash on the barrel, and the donor goes to the cafeteria of his choice. Frankly, even at $1,000 a plate, the food was never that good."

A woman in a jogging suit ran by and stuck a check in Artie's pocket.

"She's from the canned halibut industry. The senator chairs all the legislation on canned fish. I'm glad she gave because that saves me having to buy her breakfast."

"Do the PACs ever distribute money to the challenger?"

"Why should they? The senator is their man — the special interests aren't going to waste their resources on an unknown rookie. This guy coming by now distributes all the funds for the fruitcake makers of America. He knows where Sang stands on fruitcake — so when he dumps his cash in that wastepaper basket over there, he's betting on Sang making fruitcake the national dessert of the country."

"The way things are going with the PACs it appears that a challenger may never win an election."

"I wouldn't know about that. My job is to make sure that those people who expect the senator to do favors for them when he gets elected, do right by him now. You remember Harry Tudoroff, the lobbyist for the bubble-gum workers of America?"

"I remember him, but I haven't seen him around," I replied.

"The reason you haven't seen him around is because he split his PAC contributions during the last election between the senator and the challenger, and we kicked him out of our Boosters' Club. From then on it was all downhill for him. When he couldn't even get his picture taken for National Bubble-Gum Day with Sang Froid, he wound up sleeping on a bench in Lafayette Park.

□

A Brinks truck drove by and two guards started to unload the money.

Artie said. "That's the savings and loans' contribution. They bring one over every day hoping that the senator will bail them out."

"Will he?"

"The senator has always believed that, while making a few mistakes, the S&Ls always had their hearts in the right place. They never said 'no' to us during their good times. So he's not going to turn his back on them now."

"I wish there was some way that I could help, but I really don't have any legislation I want passed."

"It doesn't matter. We take money from honest citizens, too."

## Ninja Society Declares War on Cartoon Turtles

*The Associated Press*

PERTH, Australia — An squad of martial-arts experts declared war Wednesday on the Teenage Mutant Ninja Turtles, the popular cartoon and film gang.

John Ang, president of the World Ninja Society Australia, called for the turtles to be banned from television, contending that they encouraged children to be violent. He said society members would visit schools to tell children that real ninjas use their skills only as a last resort and only to help mankind.

# 'Classical Secret Agent' In a World Full of Rock

By Mike Zwerin
*International Herald Tribune*

PARIS — Rhys Chatham's band consists of six guitars, bass and drums for which he writes music that tries to mix "wildly disparate musical elements" coming out of an avant-garde "classical place" with an assimilated rock beat. His official bio holds that he was "the first composer to make use of multiple electric guitars to merge the extended-time music of the '60s and the '70s with serious hard rock." Guitarists come from as far away as Budapest and New York to play it.

Married to the French choreographer Isabelle Marteau, Chatham has lived in Paris for three years, long enough to be aware of the importance of avoiding cultural imperialism. He wants to "assimilate rather than appropriate" the French experience, like the rock experience.

In the '70s, Chatham says, "it was being whispered in certain hallowed halls of conservatories that maybe we were becoming too elite." As a response, in New York, jazz, rock and what Chatham calls "art music" started to come together. Relatively obscure adventurers were trying to reach a wider audience without compromise. Anthony Braxton experimented with serial techniques, Brian Eno composed music for art exhibitions, Chatham was learning how to improvise. But he was not interested in composing concerti for rock bands. He considered himself a "kind of secret agent coming out of a classical context working with rock instrumentation in a rock context."

The operative commercial word was fusion, describing a hard-edged combination of jazz and rock, intelligence and energy, electric and acoustic textures. It sold in chart-busting figures. Some fusion — Weather Report, John McLaughlin — could take off your head and touch your heart at the same time. But fusion gradually turned into a pejorative rather than a descriptive adjective as the riffs grew repetitious and the electricity began to be used as currency as much as for the texture.

Now we have World Music, a fusion of everything with everything, which is also being described as world beat, cross cultural pop and ethno rock. It makes good copy, though the mass media discovered it 10 years late. Actually, World Music has been increasingly inevitable for decades, ever since radio brought James Brown into African villages, art school graduates formed rock bands such as Talking Heads, and jazz was recognized as "the classical music of the 20th century."

Like fusion but on a grander scale, World Music employs simple, catchy, sometimes simplistic pop music connotations to open new horizons for unusual, complex intellectual and/or ethnic elements. Rhys Chatham prefers the word "amalgamation."

A classically trained flutist (he also plays trumpet) studying composition with the avant-gardists Morton Subotnick and LaMonte Young, Chatham was tuning harpsichords for a living at the age of 19 (he's 37). Harpsichords were favored by advertising agencies in the '70s, and there was a baroque music revival. He had as much work as he could handle until a digital harpsichord tuner was invented and new-generation synthesizers included harpsichord programs. Chatham became a plumber and tended bar on the Bowery.

Wandering into the Bowery rock club CBGB one night, he heard The Ramones and realized that their vocabulary was not all that different from his own. They were using two chords, one more than he was. Today he recounts the experience with humor, but at the time it was a revelation. He was writing minimalist music in which one chord could go a very long way indeed.

Fascinated, he was no longer so sure of his discriminations. He began to study electric guitar, playing with rock bands in rock clubs, hanging out with rock musicians. He "assimilated the experience" for more than a year.

At the beginning, he thought it would be a cinch. After all, he could count to four. He admits to having been a snob. The musical hierarchy had been unbending — classical music at the top, jazz in the middle, rock, barely considered music at all, on the bottom. So he was amazed to find how difficult it was to improvise a simple 12 bar blues. He was stiff, he got lost. He missed a written score to lean on.

Gradually, he reached the amalgamation point where he could be true to his compositional aesthetic and not condescend to the rock he had adopted. To make sure he wasn't tricking himself, he played such rock clubs as Max's Kansas City. He wanted it to "work on both levels."

It's important to recognize the difference between "art rock" and rock that is artistic. The pretension of the former knows no bounds, while John Lee Hooker or the Rolling Stones, for example, can be artistic. In fact the word "art" applied to rock is usually the key to the kingdom of self-parody. And a lot of flaky jazz has been created under the banner of "art." Charlie Parker with strings was artistic despite the strings. Rhys Chatham is artistic despite the fact that he composes "art rock."

And despite the fact that there's a lot of truth in John Lennon's definition of "avant-garde" as "French for [expletive deleted]," contemporary music would be much poorer were it not for people like Chatham, who earn a borderline living writing music that expands the outer limits of the player's technical capacity and the audience's capacity to comprehend. He says that France, already the international capital of contemporary dance (Chatham has worked with Karole Armitage, Robert Kovich and other choreographers) is attracting an increasing number of musicians like himself who are interested in amalgamating hierarchies.

Last November, in Lille, he posted cards and broadcast announcements: "Are you playing alone? Come join us. We're looking for 100 electric guitars." Commissioned by the French Ministry of Culture, the city of Lille, local sponsors and the arts foundation L'Aéronef, his composition "An Angel Moves Too Fast to See" comprises 70 minutes of notated music for 100 electric guitarists. Just finding 100 in Lille would seem to be a cultural event of some importance.

Chatham had "never dealt with a force like that." The guitars are divided into soprano, alto and tenor tunings: "There were mighty, thunderous, heroic moments. It could be like the Jolly Green Giant's footsteps. On the other hand, I had no idea what would be the timbre of 100 electric guitars playing softly. And what about all those musicians coming from different traditions? Some of them couldn't read music. Fortunately, I had built in a certain amount of 'getting lost' into the score." After the fourth rehearsal, the orchestra applauded itself.

Additional performances are scheduled for Dunkerque, Suresnes and Marne la Vallée over the next nine months. Chatham does not see how such an event could have been launched in the United States: "In any case, we would have had to go the 'funding route,' to try and convince foundation executives and professional fund-raisers of the project's worth. In France, we took the 'excitement route.' People who were excited by the project found other people who were excited, and this made the music more exciting."

Christian Rose

Rhys Chatham's sound: "disparate musical elements" coming out of a "classical place" with an assimilated rock beat.

## PEOPLE

### Calvin Klein Is Injured In a Riding Accident

The fashion designer Calvin Klein was thrown from a horse and has been hospitalized with broken ribs and cuts on the head, officials said. Klein, 47, was taken to Southampton Hospital on Long Island, New York, after the riding accident nearby. He was then flown by helicopter to New York Hospital, said a Southampton Hospital spokesman, Alex Sneddon.

□

Mayor Jacques Chirac of Paris and U.S. Ambassador Walter J.P. Curley took turns wielding a shovel Wednesday at the ground-breaking ceremony for the new American Center, a multi-arts headquarters for artists and students, in eastern Paris. The $40 million complex, to be completed in 1992, replaces the center's old quarters on the Left Bank, which opened in 1934. Also on hand was Frederick Weisman, the American businessman who has donated $5 million toward the center. The architect is Frank O. Gehry, 1989 winner of the Pritzker Prize for architecture.

□

Diana, Princess of Wales, presented the Spanish tenor José Carreras with honorary membership in the Royal Academy of Music on Wednesday. Carreras, 44, who resumed his career two years ago after bone-marrow surgery for leukemia, was in London for the school's graduation ceremony. He is to perform in Rome this weekend with Luciano Pavarotti and Plácido Domingo as part of the World Cup soccer finale.

□

Burmese, Queen Elizabeth II's favorite ceremonial horse, has died of a stroke, Buckingham Palace announced Wednesday. The jet-black mare, 28, was the monarch's mount in 18 Trooping the Color ceremonies. The horse's fame grew in 1981, when a youth fired a starting pistol as the queen rode past on Burmese. The mare reared but the queen calmed her and continued the parade.

□

The veteran actor and stage director Jacques Lassalle has been named the head of the Comédie-Française, the prestigious French national theater, succeeding Antoine Vitez, who died in April. Lassalle, 54, has directed the national theater of Strasbourg since 1983.


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KOREA [3] 11 *
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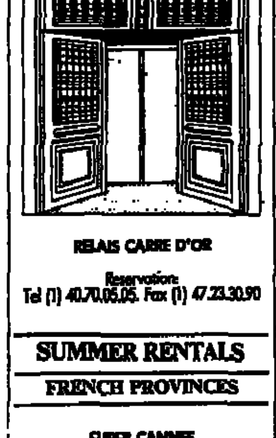


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